

WESTONARIA LOCAL MUNICIPALITY



Westonaria Local Municipality  
Unaudited Annual Financial Statements  
for the year ended 30 June 2016

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## General Information

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|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Legal form of entity</b>                                | Local Municipality                                                                                                                                                                                                                                                                                                                                  |
| <b>The following is included in the scope of operation</b> | Service Delivery<br>Municipal Finance Management Act (No. 56 of 2003)                                                                                                                                                                                                                                                                               |
| <b>Grading of local authority</b>                          | Medium Capacity (level 8)<br>GT483                                                                                                                                                                                                                                                                                                                  |
| <b>Speaker</b>                                             | Cllr S Monoane                                                                                                                                                                                                                                                                                                                                      |
| <b>Mayoral committee</b>                                   |                                                                                                                                                                                                                                                                                                                                                     |
| Executive Mayor                                            | Cllr N Tundzi-Hawu                                                                                                                                                                                                                                                                                                                                  |
| Councillors                                                | Cllr T.A Mncube (MMC Public Safety)<br>Cllr T. Sigwetshe (MMC Corporate)<br>Cllr A. Gela (MMC Health and Social Development)<br>Cllr A. Ntshiba (MMC Finance)<br>Cllr M. Mkhumbuzi (MMC IDP)<br>Cllr S Khenene (MMC Human Settlement)                                                                                                               |
| <b>Ward Councillors</b>                                    | Cllr M. Ngamtwini (Ward 1)<br>Cllr M. Jokazi (Ward 2)<br>Cllr A. Sityebi (Ward 3)<br>Cllr P. Mkhugekwana (Ward 5)<br>Cllr P. De Jager (Ward 6)<br>Cllr N. Dyase (Ward 7)<br>Cllr E. Molathwa (Ward 8)<br>Cllr S. Kholo (Ward 9)<br>Cllr S. Mngomezulu (Ward 13)<br>Cllr K. Ncele (Ward 14)<br>Cllr T.A. Mncube (Ward 15)<br>Cllr G. Khoza (Ward 16) |
| <b>PR. Councillors</b>                                     | Cllr S. Ngweventsha<br>Cllr T. Nkwatheni<br>Cllr M. Mthimkhulu<br>Cllr N. Baza<br>Cllr V. Lwabi<br>Cllr D. Molebatsi<br>Cllr D. Ndzipho<br>Cllr V. Graan<br>Cllr. J. Letlhake<br>Cllr C. Turner<br>Cllr C. Seitheiso                                                                                                                                |
| <b>Accounting Officer</b>                                  | T.C. Ndlovu                                                                                                                                                                                                                                                                                                                                         |
| <b>Chief Finance Officer (CFO)</b>                         | V.B Mkhefa                                                                                                                                                                                                                                                                                                                                          |
| <b>Registered office</b>                                   | Corner Neptune and Saturnus<br>Civic Centre<br>Westonaria<br>1780                                                                                                                                                                                                                                                                                   |
| <b>Business address</b>                                    | Corner Neptune and Saturnus<br>Civic Centre<br>Westonaria                                                                                                                                                                                                                                                                                           |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## General Information

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|                |                                                |
|----------------|------------------------------------------------|
|                | 1780                                           |
| Postal address | P. O. Box 19<br>Westonaria<br>1780             |
| Bankers        | ABSA Public Sector                             |
| Auditors       | Auditor-General South Africa                   |
| Attorneys      | Ben Van Niekerk<br>In-house (Legal Department) |

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# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

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# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

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### Abbreviations

|         |                                                                    |
|---------|--------------------------------------------------------------------|
| COID    | Compensation for Occupational Injuries and Diseases                |
| CRR     | Capital Replacement Reserve                                        |
| DBSA    | Development Bank of South Africa                                   |
| SA GAAP | South African Statements of Generally Accepted Accounting Practice |
| GRAP    | Generally Recognised Accounting Practice                           |
| HDF     | Housing Development Fund                                           |
| IAS     | International Accounting Standards                                 |
| IMFO    | Institute of Municipal Finance Officers                            |
| IPSAS   | International Public Sector Accounting Standards                   |
| ME's    | Municipal Entities                                                 |
| MEC     | Member of the Executive Council                                    |
| MFMA    | Municipal Finance Management Act                                   |
| MIG     | Municipal Infrastructure Grant (Previously CMIP)                   |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Officer's Responsibilities and Approval

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the unaudited annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the unaudited annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors were engaged to express an independent opinion on the unaudited annual financial statements and was given unrestricted access to all financial records and related data.

The unaudited annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The unaudited annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the unaudited annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The municipality has material uncertainty that may cast significant doubt on the entity's ability to continue as going concern due to cashflow constraints from the cashflow of the municipality, which might relate to inability to discharge creditors within the appropriate period and receive the appropriate cashflow from the appropriate revenue resources.

The current liabilities exceed the current assets which threaten to adequately cover current obligations of the municipality.

The municipality will be merging with Randfontein Local Municipality to form a new high capacity municipality to serve the communities better, this pronouncement has been finalised formally and will take effect after the elections.

The unaudited annual financial statements set out on pages 6 to 59, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2016 and were signed on its behalf by:

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**Accounting Officer**  
**T.C. Ndlovu**

**Westonaria**

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Officer's Report

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The accounting officer submits his report for the year ended 30 June 2016.

### 1. Review of activities

#### Main business and operations

The operating results and state of affairs of the Municipality are fully set out in the attached unaudited annual financial statements and do not in my opinion require any further comment.

Net deficit of the municipality was R 16 719 031 (2015: surplus R 42 450 864), The significant contributor to the deficit during for the year under review was the impairment of our debtors and write offs.

#### Proportion of income and loss attributable to various classes of business:

##### 2016

| Classes of business   | Proportion of contribution to Gross revenue |
|-----------------------|---------------------------------------------|
| Electricity           | 13 %                                        |
| Water                 | 18 %                                        |
| Sewerage purification | 4 %                                         |
| Refuse removal        | 2 %                                         |

##### 2015

| Classes of business   | Proportion of contribution to Gross revenue |
|-----------------------|---------------------------------------------|
| Electricity           | 12 %                                        |
| Water                 | 19 %                                        |
| Sewerage purification | 3 %                                         |
| Refuse removal        | 2 %                                         |

### 2. Going concern

The Unaudited Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The ability of the municipality to continue as a going concern is dependent on a number of factors. Refer to paragraph 3 and 4 of this report.

### 3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year except that Westonaria Local Municipality merged with Randfontein Local Municipality on 3 August 2016 to form Rand West City Local Municipality. Refer paragraphs 2 and 4 of this report.

### 4. Merger

Based on the ruling of the demarcation board, Westonaria Local Municipality and Randfontein Local Municipality merged to form Rand West City Local Municipality effective 3 August 2016.

In terms of this, Rand West City Local Municipality becomes the successor in law to both the Westonaria Local Municipality and Randfontein Local Municipality.

All assets and liabilities of Westonaria Local Municipality and Randfontein Local Municipality will transfer to Rand West City Local Municipality.

Management has taken cognisance of the merger in assessing the going concern of Westonaria Local Municipality.

Refer to paragraphs 2 and 3.

### 5. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is Mr T.C Ndlovu.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Officer's Report

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### 6. Accounting policies

The Unaudited Annual Financial Statements were prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

### 7. Non-current assets

Details of major changes in the nature of the non-current assets of the municipality during the year are set out in notes 9, 10 and 11 of the unaudited annual financial statements. There were no changes in the policy relating to the use of non-current assets.

### 8. Corporate governance

#### General

The accounting officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

The municipality confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The accounting officer discuss the responsibilities of management in this respect, at Council and management meetings and monitor the municipality's compliance with the code on a three monthly basis.

### 9. Secretary

The secretarial function was performed by the department of Corporate Services.

### 10. Bankers

For the year under review the bankers were ABSA Bank, Westonaria branch

### 11. Auditors

Auditor-General South Africa will continue in office for the next financial period. This appointment will take cognisance of the Merger. Refer to paragraph 4 of this report.



# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Statement of Financial Position as at 30 June 2016

| Figures in Rand                                  | Note(s) | 2016                 | 2015<br>Restated*    |
|--------------------------------------------------|---------|----------------------|----------------------|
| <b>Assets</b>                                    |         |                      |                      |
| <b>Current Assets</b>                            |         |                      |                      |
| Cash and cash equivalents                        | 3       | 8 687 028            | 5 678 571            |
| Trade receivables from exchange transactions     | 4       | 24 813 547           | 38 360 214           |
| Trade receivables from non-exchange transactions | 5       | 3 414 197            | 20 930 218           |
| Other receivables from exchange transactions     | 6       | 419 731              | 821 886              |
| Receivables from non-exchange transactions       | 7       | 1 507 935            | 1 776 415            |
| Inventories                                      | 8       | 1 359 053            | 1 100 412            |
|                                                  |         | <b>40 201 491</b>    | <b>68 667 716</b>    |
| <b>Non-Current Assets</b>                        |         |                      |                      |
| Investment property                              | 9       | 118 674 363          | 103 445 274          |
| Property, plant and equipment                    | 10      | 1 254 254 672        | 1 239 976 902        |
| Work-in-progress                                 | 10      | 21 679 879           | 63 548 445           |
| Intangible assets                                | 11      | 1 636 685            | 1 738 120            |
|                                                  |         | <b>1 396 245 599</b> | <b>1 408 708 741</b> |
| Non-Current Assets                               |         | 1 396 245 599        | 1 408 708 741        |
| Current Assets                                   |         | 40 201 491           | 68 667 716           |
| <b>Total Assets</b>                              |         | <b>1 436 447 090</b> | <b>1 477 376 457</b> |
| <b>Liabilities</b>                               |         |                      |                      |
| <b>Current Liabilities</b>                       |         |                      |                      |
| Bank overdraft                                   | 3       | -                    | 6 534 376            |
| Payables from exchange transactions              | 12      | 92 765 127           | 118 765 732          |
| Unspent conditional grants and receipts          |         | 5 788 914            | -                    |
| VAT payable                                      | 13      | 10 432 636           | 6 191 662            |
| Consumer deposits                                | 14      | 3 508 716            | 3 084 107            |
| Provisions                                       | 15      | 16 628 730           | 17 118 054           |
| Employee benefit obligation                      | 17      | 2 380 147            | 2 067 925            |
| Long Term loan                                   | 18      | 4 896 814            | 5 410 839            |
| Deferred Income                                  |         | 523 455              | 284 533              |
|                                                  |         | <b>136 924 539</b>   | <b>159 457 228</b>   |
| <b>Non-Current Liabilities</b>                   |         |                      |                      |
| Long Term loan                                   | 18      | 2 343 400            | 7 308 499            |
| Employee benefit obligation                      | 17      | 98 758 853           | 87 836 075           |
| Provisions                                       | 15      | 37 279 504           | 44 914 833           |
|                                                  |         | <b>138 381 757</b>   | <b>140 059 407</b>   |
| Non-Current Liabilities                          |         | 138 381 757          | 140 059 407          |
| Current Liabilities                              |         | 136 924 539          | 159 457 228          |
| <b>Total Liabilities</b>                         |         | <b>275 306 296</b>   | <b>299 516 635</b>   |
| Assets                                           |         | 1 436 447 090        | 1 477 376 457        |
| Liabilities                                      |         | (275 306 296)        | (299 516 635)        |
| <b>Net Assets</b>                                |         | <b>1 161 140 794</b> | <b>1 177 859 822</b> |
| Accumulated surplus                              |         | 1 161 140 794        | 1 177 859 822        |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Statement of Financial Performance

| Figures in Rand                                     | Note(s) | 2016                 | 2015<br>Restated*    |
|-----------------------------------------------------|---------|----------------------|----------------------|
| <b>Revenue</b>                                      |         |                      |                      |
| <b>Revenue from exchange transactions</b>           |         |                      |                      |
| Service charges                                     | 20      | 296 360 094          | 270 090 820          |
| Rental of facilities and equipment                  |         | 426 992              | 955 213              |
| Agency services                                     |         | 8 861 631            | 6 476 319            |
| Licences and permits                                |         | 3 066                | 29 022               |
| Fees earned                                         | 21      | 1 183 997            | 357 131              |
| Other income                                        | 22      | 11 041 597           | 2 289 171            |
| Interest on investments                             | 26      | 1 676 195            | 1 539 451            |
| <b>Total revenue from exchange transactions</b>     |         | <b>319 553 572</b>   | <b>281 737 127</b>   |
| <b>Revenue from non-exchange transactions</b>       |         |                      |                      |
| <b>Taxation revenue</b>                             |         |                      |                      |
| Property rates                                      | 19      | 265 548 816          | 265 311 461          |
| <b>Transfer revenue</b>                             |         |                      |                      |
| Government grants and subsidies                     | 24      | 186 270 089          | 200 648 170          |
| Public contributions and donations                  | 23      | 8 713 481            | 8 087 527            |
| Fines, Penalties and Forfeits                       | 25      | 1 687                | 2 877 143            |
| <b>Total revenue from non-exchange transactions</b> |         | <b>460 534 073</b>   | <b>476 924 301</b>   |
|                                                     |         | 319 553 572          | 281 737 127          |
|                                                     |         | 460 534 073          | 476 924 301          |
| <b>Total revenue</b>                                |         | <b>780 087 645</b>   | <b>758 661 428</b>   |
| <b>Expenditure</b>                                  |         |                      |                      |
| Employee related cost                               | 27      | (154 358 171)        | (133 055 443)        |
| Remuneration of councillors                         | 28      | (11 327 282)         | (11 853 011)         |
| Depreciation and amortisation                       | 29      | (70 648 548)         | (65 392 850)         |
| Impairment loss                                     | 35      | (21 189 318)         | (5 709 747)          |
| Finance costs                                       | 30      | (5 900 656)          | (10 827 709)         |
| Debt Impairment                                     | 31      | (199 091 405)        | (190 434 579)        |
| Collection costs                                    |         | (416 589)            | (35 120)             |
| Repairs and maintenance                             |         | (6 717 029)          | (5 638 803)          |
| Bulk purchases                                      | 32      | (211 691 410)        | (184 147 609)        |
| Contracted services                                 | 33      | (26 143 832)         | (21 492 116)         |
| Interest cost                                       |         | (9 019 404)          | (8 955 069)          |
| Write offs                                          | 34      | (64 260 738)         | (55 664 354)         |
| General expenses                                    | 36      | (29 912 700)         | (42 732 742)         |
| <b>Total expenditure</b>                            |         | <b>(810 677 082)</b> | <b>(735 939 152)</b> |
|                                                     |         | -                    | -                    |
| Total revenue                                       |         | 780 087 645          | 758 661 428          |
| Total expenditure                                   |         | (810 677 082)        | (735 939 152)        |
| <b>Operating (deficit) surplus</b>                  | 37      | <b>(30 589 437)</b>  | <b>22 722 276</b>    |
| Gain on disposal of assets and liabilities          |         | 906 092              | 4 077 015            |
| Fair Value Adjustments                              | 38      | 12 754 314           | 7 479 500            |
| Actuarial losses                                    |         | 210 000              | 8 172 075            |
|                                                     |         | <b>13 870 406</b>    | <b>19 728 590</b>    |
| (Deficit) surplus before taxation                   |         | (16 719 031)         | 42 450 866           |
| Taxation                                            |         | -                    | -                    |
| <b>(Deficit) surplus for the year</b>               |         | <b>(16 719 031)</b>  | <b>42 450 866</b>    |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Statement of Changes in Net Assets

| Figures in Rand                          | Accumulated surplus  | Total net assets     |
|------------------------------------------|----------------------|----------------------|
| <b>Balance at 01 July 2014</b>           | <b>1 135 408 956</b> | <b>1 135 408 956</b> |
| Deficit for the year                     | 42 450 866           | 42 450 866           |
| Total changes                            | 42 450 866           | 42 450 866           |
| <b>Restated* Balance at 01 July 2015</b> | <b>1 177 859 825</b> | <b>1 177 859 825</b> |
| Changes in net assets                    |                      |                      |
| Surplus for the year                     | (16 719 031)         | (16 719 031)         |
| Total changes                            | (16 719 031)         | (16 719 031)         |
| <b>Balance at 30 June 2016</b>           | <b>1 161 140 794</b> | <b>1 161 140 794</b> |

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# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Cash Flow Statement

| Figures in Rand                                             | Note(s) | 2016                       | 2015<br>Restated*          |
|-------------------------------------------------------------|---------|----------------------------|----------------------------|
| <b>Cash flows from operating activities</b>                 |         |                            |                            |
| <b>Receipts</b>                                             |         |                            |                            |
| Sale of goods and services                                  |         | 393 233 936                | 353 788 588                |
| Grants                                                      |         | 192 157 820                | 183 131 650                |
| Interest income                                             |         | 1 676 195                  | 1 539 451                  |
| Public contributions and donations                          |         | 8 682 101                  | 1 307 000                  |
| Other receipts                                              |         | 3 556 460                  | 2 289 172                  |
| Consumer deposits                                           |         | 424 608                    | 569 260                    |
|                                                             |         | <u>599 731 120</u>         | <u>542 625 121</u>         |
| <b>Payments</b>                                             |         |                            |                            |
| Employee costs                                              |         | (165 685 453)              | (141 941 566)              |
| Suppliers                                                   |         | (321 446 681)              | (319 447 918)              |
| Finance costs                                               |         | (5 755 990)                | (10 827 709)               |
|                                                             |         | <u>(492 888 124)</u>       | <u>(472 217 193)</u>       |
| Total receipts                                              |         | 599 731 120                | 542 625 121                |
| Total payments                                              |         | (492 888 124)              | (472 217 193)              |
| <b>Net cash flows from operating activities</b>             | 40      | <u><b>106 842 996</b></u>  | <u><b>70 407 928</b></u>   |
| <b>Cash flows from investing activities</b>                 |         |                            |                            |
| Purchase of property, plant and equipment                   | 10      | (87 333 610)               | (77 686 348)               |
| Proceeds from sale of property, plant and equipment         | 10      | 1 480 975                  | 4 077 015                  |
| Purchase of investment property                             | 9       | (7 630 773)                | -                          |
| Proceeds from sale of investment property                   | 9       | 1 423 447                  | -                          |
| <b>Net cash flows from investing activities</b>             |         | <u><b>(92 059 961)</b></u> | <u><b>(73 609 333)</b></u> |
| <b>Cash flows from financing activities</b>                 |         |                            |                            |
| Repayment of long term loan                                 |         | (5 479 124)                | (6 407 144)                |
| Movement in other liability                                 |         | 238 922                    | 22 073                     |
| <b>Net cash flows from financing activities</b>             |         | <u><b>(5 240 202)</b></u>  | <u><b>(6 385 071)</b></u>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |         | <b>9 542 833</b>           | <b>(9 586 476)</b>         |
| Cash and cash equivalents at the beginning of the year      |         | (855 805)                  | 8 730 671                  |
| <b>Cash and cash equivalents at the end of the year</b>     | 3       | <u><b>8 687 028</b></u>    | <u><b>(855 805)</b></u>    |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

|  | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|-----------------|-------------|--------------|------------------------------------|--------------------------------------------|-----------|
|--|-----------------|-------------|--------------|------------------------------------|--------------------------------------------|-----------|

Figures in Rand

### Statement of Financial Performance

#### Revenue

##### Revenue from exchange transactions

|                                                 |                    |                     |                    |                |                      |
|-------------------------------------------------|--------------------|---------------------|--------------------|----------------|----------------------|
| Service charges                                 | 296 768 309        | (30 000 000)        | 266 768 309        | -              | (266 768 309)        |
| Rental of facilities and equipment              | 387 089            | -                   | 387 089            | 426 992        | 39 903               |
| Interest received (Investments)                 | 529 000            | 820 000             | 1 349 000          | -              | (1 349 000)          |
| Agency services                                 | 8 400 000          | -                   | 8 400 000          | -              | (8 400 000)          |
| Licences and permits                            | -                  | -                   | -                  | 3 066          | 3 066                |
| Other income                                    | 1 609 700          | -                   | 1 609 700          | -              | (1 609 700)          |
| Gains on disposal of assets                     | 500 000            | -                   | 500 000            | -              | (500 000)            |
| <b>Total revenue from exchange transactions</b> | <b>308 194 098</b> | <b>(29 180 000)</b> | <b>279 014 098</b> | <b>430 058</b> | <b>(278 584 040)</b> |

##### Revenue from non-exchange transactions

##### Taxation revenue

|                                    |            |   |            |   |              |
|------------------------------------|------------|---|------------|---|--------------|
| Property rates                     | 67 018 180 | - | 67 018 180 | - | (67 018 180) |
| Property rates - penalties imposed | 3 000 000  | - | 3 000 000  | - | (3 000 000)  |

##### Transfer revenue

|                                    |             |             |             |           |               |
|------------------------------------|-------------|-------------|-------------|-----------|---------------|
| Government grants & subsidies      | 191 625 550 | -           | 191 625 550 | -         | (191 625 550) |
| Public contributions and donations | -           | -           | -           | 8 713 481 | 8 713 481     |
| Fines, Penalties and Forfeits      | 6 000 000   | (5 000 000) | 1 000 000   | -         | (1 000 000)   |

|                                                     |                    |                    |                    |                  |                      |
|-----------------------------------------------------|--------------------|--------------------|--------------------|------------------|----------------------|
| <b>Total revenue from non-exchange transactions</b> | <b>267 643 730</b> | <b>(5 000 000)</b> | <b>262 643 730</b> | <b>8 713 481</b> | <b>(253 930 249)</b> |
|-----------------------------------------------------|--------------------|--------------------|--------------------|------------------|----------------------|

|                                            |             |              |             |         |               |
|--------------------------------------------|-------------|--------------|-------------|---------|---------------|
| 'Total revenue from exchange transactions' | 308 194 098 | (29 180 000) | 279 014 098 | 430 058 | (278 584 040) |
|--------------------------------------------|-------------|--------------|-------------|---------|---------------|

|                                                |             |             |             |           |               |
|------------------------------------------------|-------------|-------------|-------------|-----------|---------------|
| 'Total revenue from non-exchange transactions' | 267 643 730 | (5 000 000) | 262 643 730 | 8 713 481 | (253 930 249) |
|------------------------------------------------|-------------|-------------|-------------|-----------|---------------|

|                      |                    |                     |                    |                  |                      |
|----------------------|--------------------|---------------------|--------------------|------------------|----------------------|
| <b>Total revenue</b> | <b>575 837 828</b> | <b>(34 180 000)</b> | <b>541 657 828</b> | <b>9 143 539</b> | <b>(532 514 289)</b> |
|----------------------|--------------------|---------------------|--------------------|------------------|----------------------|

#### Expenditure

|                                          |               |              |               |               |              |
|------------------------------------------|---------------|--------------|---------------|---------------|--------------|
| Personnel                                | (148 900 129) | -            | (148 900 129) | (154 358 171) | (5 458 042)  |
| Remuneration of councillors              | (12 556 080)  | -            | (12 556 080)  | (11 327 282)  | 1 228 798    |
| Debt impairment                          | (25 000 000)  | (51 189 832) | (76 189 832)  | -             | 76 189 832   |
| Depreciation and amortisation            | (115 864 387) | 50 471 537   | (65 392 850)  | (70 648 548)  | (5 255 698)  |
| Impairment loss/ Reversal of impairments | -             | -            | -             | (21 189 318)  | (21 189 318) |

|               |             |   |             |             |             |
|---------------|-------------|---|-------------|-------------|-------------|
| Finance costs | (2 200 000) | - | (2 200 000) | (5 900 656) | (3 700 656) |
|---------------|-------------|---|-------------|-------------|-------------|

|                |               |             |               |   |             |
|----------------|---------------|-------------|---------------|---|-------------|
| Bulk purchases | (193 733 448) | (5 248 213) | (198 981 661) | - | 198 981 661 |
|----------------|---------------|-------------|---------------|---|-------------|

|                       |   |   |   |               |               |
|-----------------------|---|---|---|---------------|---------------|
| Bad debts written off | - | - | - | (199 091 405) | (199 091 405) |
|-----------------------|---|---|---|---------------|---------------|

|                  |   |   |   |           |           |
|------------------|---|---|---|-----------|-----------|
| Collection costs | - | - | - | (416 589) | (416 589) |
|------------------|---|---|---|-----------|-----------|

|                         |   |   |   |             |             |
|-------------------------|---|---|---|-------------|-------------|
| Repairs and maintenance | - | - | - | (6 717 029) | (6 717 029) |
|-------------------------|---|---|---|-------------|-------------|

|                     |   |   |   |               |               |
|---------------------|---|---|---|---------------|---------------|
| Contracted services | - | - | - | (211 691 410) | (211 691 410) |
|---------------------|---|---|---|---------------|---------------|

|                     |              |           |              |              |             |
|---------------------|--------------|-----------|--------------|--------------|-------------|
| Contracted services | (21 500 000) | 1 918 000 | (19 582 000) | (26 143 832) | (6 561 832) |
|---------------------|--------------|-----------|--------------|--------------|-------------|

|                                |             |   |             |             |             |
|--------------------------------|-------------|---|-------------|-------------|-------------|
| Interest paid on late payments | (2 500 000) | - | (2 500 000) | (9 019 404) | (6 519 404) |
|--------------------------------|-------------|---|-------------|-------------|-------------|

|            |   |   |   |              |              |
|------------|---|---|---|--------------|--------------|
| Write offs | - | - | - | (64 260 738) | (64 260 738) |
|------------|---|---|---|--------------|--------------|

|                  |              |              |              |              |           |
|------------------|--------------|--------------|--------------|--------------|-----------|
| General expenses | (21 100 000) | (10 000 000) | (31 100 000) | (29 912 700) | 1 187 300 |
|------------------|--------------|--------------|--------------|--------------|-----------|

|                          |                      |                     |                      |                      |                      |
|--------------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>Total expenditure</b> | <b>(543 354 044)</b> | <b>(14 048 508)</b> | <b>(557 402 552)</b> | <b>(810 677 082)</b> | <b>(253 274 530)</b> |
|--------------------------|----------------------|---------------------|----------------------|----------------------|----------------------|

|  |             |              |             |           |               |
|--|-------------|--------------|-------------|-----------|---------------|
|  | 575 837 828 | (34 180 000) | 541 657 828 | 9 143 539 | (532 514 289) |
|--|-------------|--------------|-------------|-----------|---------------|

|  |               |              |               |               |               |
|--|---------------|--------------|---------------|---------------|---------------|
|  | (543 354 044) | (14 048 508) | (557 402 552) | (810 677 082) | (253 274 530) |
|--|---------------|--------------|---------------|---------------|---------------|

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

|                                                                                                      | Approved<br>budget | Adjustments         | Final Budget        | Actual amounts<br>on comparable<br>basis | Difference<br>between final<br>budget and<br>actual | Reference |
|------------------------------------------------------------------------------------------------------|--------------------|---------------------|---------------------|------------------------------------------|-----------------------------------------------------|-----------|
| Figures in Rand                                                                                      |                    |                     |                     |                                          |                                                     |           |
| <b>Operating deficit</b>                                                                             | <b>32 483 784</b>  | <b>(48 228 508)</b> | <b>(15 744 724)</b> | <b>(801 533 543)</b>                     | <b>(785 788 819)</b>                                |           |
| Gain on disposal of assets and liabilities                                                           | -                  | -                   | -                   | 906 092                                  | <b>906 092</b>                                      |           |
| Fair value adjustments                                                                               | -                  | -                   | -                   | 12 754 314                               | <b>12 754 314</b>                                   |           |
| Actuarial gains/ losses                                                                              | -                  | -                   | -                   | 210 000                                  | <b>210 000</b>                                      |           |
|                                                                                                      | -                  | -                   | -                   | <b>13 870 406</b>                        | <b>13 870 406</b>                                   |           |
|                                                                                                      | 32 483 784         | (48 228 508)        | <b>(15 744 724)</b> | (801 533 543)                            | <b>(785 788 819)</b>                                |           |
|                                                                                                      | -                  | -                   | -                   | 13 870 406                               | <b>13 870 406</b>                                   |           |
| <b>Deficit before taxation</b>                                                                       | <b>32 483 784</b>  | <b>(48 228 508)</b> | <b>(15 744 724)</b> | <b>(787 663 137)</b>                     | <b>(771 918 413)</b>                                |           |
| Surplus before taxation                                                                              | 32 483 784         | (48 228 508)        | <b>(15 744 724)</b> | (787 663 137)                            | <b>(771 918 413)</b>                                |           |
| Taxation                                                                                             | -                  | -                   | -                   | -                                        | -                                                   |           |
| <b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b> | <b>32 483 784</b>  | <b>(48 228 508)</b> | <b>(15 744 724)</b> | <b>(787 663 137)</b>                     | <b>(771 918 413)</b>                                |           |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

|  | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|-----------------|-------------|--------------|------------------------------------|--------------------------------------------|-----------|
|--|-----------------|-------------|--------------|------------------------------------|--------------------------------------------|-----------|

Figures in Rand

### Statement of Financial Position

#### Assets

##### Current Assets

|                                                  |   |   |   |                   |                   |             |
|--------------------------------------------------|---|---|---|-------------------|-------------------|-------------|
| Inventories                                      | - | - | - | 1 359 053         | <b>1 359 053</b>  | Note 8      |
| Other receivables from exchange transactions     | - | - | - | 419 731           | <b>419 731</b>    | Note 6      |
| Receivables from non-exchange transactions       | - | - | - | 1 507 935         | <b>1 507 935</b>  | Note 7      |
| Trade receivables from exchange transactions     | - | - | - | 24 813 547        | <b>24 813 547</b> | Note 4      |
| Trade receivables from non-exchange transactions | - | - | - | 3 414 197         | <b>3 414 197</b>  | Note 5      |
| Cash and cash equivalents                        | - | - | - | 8 687 028         | <b>8 687 028</b>  | Appendix G5 |
|                                                  | - | - | - | <b>40 201 491</b> | <b>40 201 491</b> |             |

##### Non-Current Assets

|                               |   |   |   |                      |                      |            |
|-------------------------------|---|---|---|----------------------|----------------------|------------|
| Work-in-progress              | - | - | - | 21 679 879           | <b>21 679 879</b>    | Appendix B |
| Investment property           | - | - | - | 118 674 363          | <b>118 674 363</b>   | Appendix B |
| Property, plant and equipment | - | - | - | 1 254 254 672        | <b>1 254 254 672</b> | Appendix B |
| Intangible assets             | - | - | - | 1 636 685            | <b>1 636 685</b>     | Appendix B |
|                               | - | - | - | <b>1 396 245 599</b> | <b>1 396 245 599</b> |            |
| Non-Current Assets            | - | - | - | <b>40 201 491</b>    | <b>40 201 491</b>    |            |
| Current Assets                | - | - | - | <b>1 396 245 599</b> | <b>1 396 245 599</b> |            |
| <b>Total Assets</b>           | - | - | - | <b>1 436 447 090</b> | <b>1 436 447 090</b> |            |

#### Liabilities

##### Current Liabilities

|                                         |   |   |   |                    |                    |            |
|-----------------------------------------|---|---|---|--------------------|--------------------|------------|
| Long Term loan                          | - | - | - | 4 896 814          | <b>4 896 814</b>   | Appendix A |
| Payables from exchange transactions     | - | - | - | 92 765 124         | <b>92 765 124</b>  | Note 12    |
| VAT payable                             | - | - | - | 10 432 636         | <b>10 432 636</b>  | Note 54    |
| Consumer deposits                       | - | - | - | 3 508 716          | <b>3 508 716</b>   | Note 14    |
| Employee benefit obligation             | - | - | - | 2 380 147          | <b>2 380 147</b>   | Note 17    |
| Unspent conditional grants and receipts | - | - | - | 5 788 914          | <b>5 788 914</b>   | Appendix F |
| Provisions                              | - | - | - | 16 628 730         | <b>16 628 730</b>  | Note 15    |
| Deferred Income                         | - | - | - | 523 455            | <b>523 455</b>     |            |
|                                         | - | - | - | <b>136 924 536</b> | <b>136 924 536</b> |            |

##### Non-Current Liabilities

|                             |   |   |   |                    |                    |            |
|-----------------------------|---|---|---|--------------------|--------------------|------------|
| Long Term loan              | - | - | - | 2 343 400          | <b>2 343 400</b>   | Appendix A |
| Employee benefit obligation | - | - | - | 98 758 853         | <b>98 758 853</b>  | Note 17    |
| Provisions                  | - | - | - | 37 279 504         | <b>37 279 504</b>  | Note 15    |
|                             | - | - | - | <b>138 381 757</b> | <b>138 381 757</b> |            |
|                             | - | - | - | <b>136 924 536</b> | <b>136 924 536</b> |            |
|                             | - | - | - | <b>138 381 757</b> | <b>138 381 757</b> |            |
|                             | - | - | - | -                  | -                  |            |
| <b>Total Liabilities</b>    | - | - | - | <b>275 306 293</b> | <b>275 306 293</b> |            |

|                   |   |   |   |                      |                      |  |
|-------------------|---|---|---|----------------------|----------------------|--|
| Assets            | - | - | - | <b>1 436 447 090</b> | <b>1 436 447 090</b> |  |
| Liabilities       | - | - | - | <b>(275 306 293)</b> | <b>(275 306 293)</b> |  |
| <b>Net Assets</b> | - | - | - | <b>1 161 140 797</b> | <b>1 161 140 797</b> |  |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

|                                                                    | Approved<br>budget | Adjustments | Final Budget | Actual amounts<br>on comparable<br>basis | Difference<br>between final<br>budget and<br>actual | Reference |
|--------------------------------------------------------------------|--------------------|-------------|--------------|------------------------------------------|-----------------------------------------------------|-----------|
| Figures in Rand                                                    |                    |             |              |                                          |                                                     |           |
| <b>Net Assets</b>                                                  |                    |             |              |                                          |                                                     |           |
| <b>Net Assets Attributable to Owners<br/>of Controlling Entity</b> |                    |             |              |                                          |                                                     |           |
| <b>Reserves</b>                                                    |                    |             |              |                                          |                                                     |           |
| Accumulated surplus                                                | -                  | -           | -            | 1 161 140 797                            | <b>1 161 140 797</b>                                |           |



# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

|  | Approved budget | Adjustments | Final Budget | Actual amounts on comparable basis | Difference between final budget and actual | Reference |
|--|-----------------|-------------|--------------|------------------------------------|--------------------------------------------|-----------|
|--|-----------------|-------------|--------------|------------------------------------|--------------------------------------------|-----------|

Figures in Rand

### Cash Flow Statement

#### Cash flows from operating activities

##### Receipts

|                            |                    |                  |                    |                    |                     |             |
|----------------------------|--------------------|------------------|--------------------|--------------------|---------------------|-------------|
| Sale of goods and services | 313 341 000        | 725 000          | <b>314 066 000</b> | 353 788 588        | <b>39 722 588</b>   | Appendix G5 |
| Grants                     | 193 333 000        | 300 000          | <b>193 633 000</b> | 183 131 650        | <b>(10 501 350)</b> | Appendix G5 |
| Other income               | -                  | -                | -                  | 2 289 172          | <b>2 289 172</b>    | Appendix G5 |
| Consumer deposits          | 343 000            | -                | <b>343 000</b>     | 569 260            | <b>226 260</b>      | Appendix G5 |
|                            | <b>507 017 000</b> | <b>1 025 000</b> | <b>508 042 000</b> | <b>539 778 670</b> | <b>31 736 670</b>   |             |

##### Payments

|                |                      |                   |                      |                      |                     |             |
|----------------|----------------------|-------------------|----------------------|----------------------|---------------------|-------------|
| Employee costs | (148 121 000)        | -                 | <b>(148 121 000)</b> | (141 941 566)        | <b>6 179 434</b>    | Appendix G5 |
| Suppliers      | (290 439 000)        | 38 584 000        | <b>(251 855 000)</b> | (319 441 188)        | <b>(67 586 188)</b> | Appendix G5 |
|                | <b>(438 560 000)</b> | <b>38 584 000</b> | <b>(399 976 000)</b> | <b>(461 382 754)</b> | <b>(61 406 754)</b> |             |

|                                                 |                   |                   |                      |                   |                     |  |
|-------------------------------------------------|-------------------|-------------------|----------------------|-------------------|---------------------|--|
| Total receipts                                  | 507 017 000       | 1 025 000         | <b>508 042 000</b>   | 539 778 670       | <b>31 736 670</b>   |  |
| Total payments                                  | (438 560 000)     | 38 584 000        | <b>(399 976 000)</b> | (461 382 754)     | <b>(61 406 754)</b> |  |
| <b>Net cash flows from operating activities</b> | <b>68 457 000</b> | <b>39 609 000</b> | <b>108 066 000</b>   | <b>78 395 916</b> | <b>(29 670 084)</b> |  |

|                                                      |            |            |                    |            |                     |  |
|------------------------------------------------------|------------|------------|--------------------|------------|---------------------|--|
| Net increase/(decrease) in cash and cash equivalents | 68 457 000 | 39 609 000 | <b>108 066 000</b> | 78 395 916 | <b>(29 670 084)</b> |  |
|------------------------------------------------------|------------|------------|--------------------|------------|---------------------|--|

|                                                         |                   |                   |                    |                   |                     |  |
|---------------------------------------------------------|-------------------|-------------------|--------------------|-------------------|---------------------|--|
| <b>Cash and cash equivalents at the end of the year</b> | <b>68 457 000</b> | <b>39 609 000</b> | <b>108 066 000</b> | <b>78 395 916</b> | <b>(29 670 084)</b> |  |
|---------------------------------------------------------|-------------------|-------------------|--------------------|-------------------|---------------------|--|

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1. Presentation of Unaudited Annual Financial Statements

The Unaudited Annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These Unaudited Annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these Unaudited Annual financial statements, are disclosed below.

#### 1.1 Presentation currency

These Unaudited Annual financial statements are presented in South African Rand, which is the functional currency of the municipality. All financial information presented in Rand has been rounded to the nearest rand.

#### 1.2 Going concern assumption

These Unaudited Annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

Based on the ruling of the demarcation board, Westonaria Local Municipality and Randfontein Local Municipality merged to form Rand West City Local Municipality effective 3 August 2016.

In terms of this, Rand West City Local Municipality becomes the successor in law to both the Westonaria Local Municipality and Randfontein Local Municipality.

All assets and liabilities of Westonaria Local Municipality and Randfontein Local Municipality will transfer to Rand West City Local Municipality.

#### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the unaudited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the unaudited annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the unaudited annual financial statements. Significant judgements include:

##### Trade and other receivables

The municipality assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

##### Allowance for slow moving stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management assess the slow moving stock at year-end. The write down is included in the operation surplus note. The municipality has classified slow moving stock as stock which has no movement for at least 12 months..

##### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Value in use of non-cash generating assets:

The Municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

---

### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15 - Provisions.

#### Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. This estimate is based on industry norm. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the municipality.

#### Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the medical aid and long service award obligations. The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 17.

#### Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

#### Allowance for impairment

For receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

### 1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals, for undetermined use or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

---

### 1.4 Investment property (continued)

#### Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

### 1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of assets and non-monetary assets, the asset acquired is initially measured at fair value (the cost). Unless the fair value of neither the asset received nor the asset given up is reliably measurable, if the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item         | Average useful life |
|--------------|---------------------|
| Land         |                     |
| Buildings    |                     |
| IT equipment |                     |

The residual value, the useful life and depreciation method of each asset are reviewed at least at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.5 Property, plant and equipment (continued)

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

### 1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

Intangible assets are initially recognised at cost.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired at no cost or for a nominal cost, its initial cost at the date of acquisition is measured at its fair value as at that date.

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

### 1.7 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.7 Impairment of non-cash-generating assets (continued)

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of non-cash-generating assets is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived.

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

### 1.8 Financial instruments

#### 1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

The municipality is in a operating lease contracts and is a lessee.

Any contingent rents are recognised separately as an expense in the period which they are incurred.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.9 Leases (continued)

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. The aggregate benefit of incentives is recognised as a reduction of rental expense in the period in which they are incurred.

### 1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

### 1.11 Employee benefits

### 1.12 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 42.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.12 Provisions and contingencies (continued)

#### Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the municipality consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.7.
- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
  - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
  - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs

### 1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The municipality recognise prepaid service charges as revenue when prepaid water and electricity is sold to a customer.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

### 1.14 Revenue from non-exchange transactions

#### Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with the relevant legal requirements (if applicable)

#### Conditional grants and receipts



# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.14 Revenue from non-exchange transactions (continued)

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

### 1.15 Other income

Interest income is recognised on a time-proportion basis using the effective interest method.

### 1.16 Value-added tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis, in accordance with section 15(2) of the VAT Act (Act No. 89 of 1991).

### 1.17 Events after the reporting date

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date), and
- b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.19 Unauthorised expenditure

Unauthorised expenditure is that which has not been budgeted for; expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, or expenditure in the form of a grant that is not permitted in terms of the MFMA (Act No. 56 of 2003).

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Unauthorised expenditure is accounted for in the financial statements and, where recovered, is subsequently accounted for as revenue in the same statement.

### 1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.21 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's Supply Chain Management policy. Irregular expenditure excludes unauthorised expenditure.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.21 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

### 1.22 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by programmes linked to performance outcome objectives.

The approved budget covers the fiscal period from 2014/07/01 to 2015/06/30.

The unaudited annual financial statements and the budget are not on the same basis of accounting therefore a comparison of the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

### 1.23 Commitments

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

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# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### 2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2016 or later periods but are not relevant to its operations:

The aggregate impact of the initial application of the statements and interpretations on the municipality's unaudited annual financial statements is expected to be as follows:

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

|                     |                  |                  |
|---------------------|------------------|------------------|
| Cash on hand        | 24 571           | 24 571           |
| Bank balances       | 8 187 165        | 4 852 588        |
| Short-term deposits | 475 292          | 801 412          |
| Bank overdraft      | -                | (6 534 376)      |
|                     | <b>8 687 028</b> | <b>(855 805)</b> |
| Current assets      | 8 687 028        | 5 678 571        |
| Current liabilities | -                | (6 534 376)      |
|                     | <b>8 687 028</b> | <b>(855 805)</b> |

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# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

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### 3. Cash and cash equivalents (continued)

The municipality had the following bank accounts

| Account number / description                             | Bank statement balances |                   |                   | Cash book balances |                  |                  |
|----------------------------------------------------------|-------------------------|-------------------|-------------------|--------------------|------------------|------------------|
|                                                          | 30 June 2016            | 30 June 2015      | 30 June 2014      | 30 June 2016       | 30 June 2015     | 30 June 2014     |
| ABSA Bank Westonaria - Primary bank account - 590000-019 | 5 056 057               | 6 500 977         | 1 286 857         | 5 043 841          | (6 534 376)      | (15 896 814)     |
| ABSA Bank - MIG account - 4077-044-564                   | 253 710                 | 56 223            | -                 | 56 223             | 56 223           | 57 327           |
| ABSA Bank - Speed Fines account - 4077-044-996           | 654 412                 | 3 004             | 3 401             | 698 562            | 22 213           | 3 401            |
| ABSA Bank - Licencing account - 9069-541-719             | 653 404                 | 4 577 930         | 57 327            | 2 164 237          | 4 744 700        | -                |
| ABSA Bank - Debtors account - 0 408-213-2336             | -                       | -                 | -                 | 224 302            | 29 452           | 3 485 674        |
| ABSA Bank - Investment account - 9296-240-291            | -                       | 7 540             | 20 259 518        | -                  | 7 540            | 20 259 518       |
| ABSA Bank - Investment account - 6304-469-100            | -                       | 8 777             | 8 730             | -                  | 8 777            | 8 730            |
| ABSA Bank - Investment account - 1009-120-510            | -                       | 773               | 770               | -                  | 773              | 770              |
| ABSA Bank - Investment account - 9054-399-870            | -                       | 29 196            | 28 963            | -                  | 29 196           | 28 963           |
| ABSA Bank - Investment account - 9057-050-350            | -                       | 88 110            | 87 643            | -                  | 88 110           | 87 643           |
| ABSA Bank - Investment account - 4082-131-607            | -                       | 172 067           | 173 057           | -                  | 172 067          | 173 057          |
| FNB Bank - Investment account - 7100-1035-031            | -                       | 43 978            | 41 528            | -                  | 43 978           | 41 528           |
| FNB Bank - Investment account - 7103-8284-304            | 56 182                  | 56 182            | 56 182            | 63 542             | 56 182           | 56 182           |
| FNB Bank - Investment account - 7103-8284-297            | 113 233                 | 113 233           | 106 908           | 120 274            | 113 233          | 106 908          |
| FNB Bank - Investment account - 7103-8605-740            | 25 768                  | 25 768            | 24 541            | 27 383             | 25 768           | 24 541           |
| NEDBANK Bank - Investment account - 119-876-22           | 83 523                  | 83 523            | 83 523            | 83 523             | 83 523           | 83 523           |
| NEDBANK Bank - Investment account - 197-708-42           | 58 495                  | 53 127            | 51 915            | 58 495             | 53 127           | 51 915           |
| NEDCOR Bank - Investment account - 118-128-75            | 55 238                  | 55 062            | 51 418            | 55 238             | 55 062           | 51 418           |
| STANDARD BANK Bank - Investment account - 286-330-16     | 60 859                  | 58 227            | 56 094            | 60 859             | 58 227           | 56 094           |
| STANDARD BANK Bank - Investment account - 328-634-174    | 5 979                   | 5 849             | 5 748             | 5 978              | 5 849            | 5 748            |
| Petty Cash                                               | 24 571                  | 24 571            | 44 541            | 24 571             | 24 571           | 44 545           |
| <b>Total</b>                                             | <b>7 101 431</b>        | <b>11 964 117</b> | <b>22 428 664</b> | <b>8 687 028</b>   | <b>(855 805)</b> | <b>8 730 671</b> |

### 4. Trade receivables from exchange transactions

#### Gross balances

|                                                   |                    |                    |
|---------------------------------------------------|--------------------|--------------------|
| Electricity                                       | 43 637 391         | 29 604 929         |
| Water                                             | 35 327 755         | 51 313 355         |
| Sewerage                                          | 14 960 817         | 9 612 472          |
| Refuse                                            | 17 874 305         | 15 633 203         |
| Housing rental                                    | 315 600            | 2 041 460          |
| Other (VAT, capital, interest, reconnection fees) | 35 422 657         | 65 816 344         |
|                                                   | <b>147 538 525</b> | <b>174 021 763</b> |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

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### 4. Trade receivables from exchange transactions (continued)

#### Less: Allowance for impairment

|                                              |                      |                      |
|----------------------------------------------|----------------------|----------------------|
| Electricity                                  | (36 393 267)         | (16 105 804)         |
| Water                                        | (26 563 842)         | (30 293 482)         |
| Sewerage                                     | (12 541 192)         | (7 129 146)          |
| Refuse                                       | (15 358 407)         | (11 822 284)         |
| Housing rental                               | (283 262)            | (1 545 801)          |
| Other (VAT, capital, interest, reconnection) | (31 585 008)         | (68 765 032)         |
|                                              | <b>(122 724 978)</b> | <b>(135 661 549)</b> |

#### Net balance

|                                              |                   |                   |
|----------------------------------------------|-------------------|-------------------|
| Electricity                                  | 7 244 124         | 13 499 125        |
| Water                                        | 8 763 913         | 21 019 873        |
| Sewerage                                     | 2 419 625         | 2 483 326         |
| Refuse                                       | 2 515 898         | 3 810 919         |
| Housing rental                               | 32 338            | 495 659           |
| Other (VAT, capital, interest, reconnection) | 3 837 649         | (2 948 688)       |
|                                              | <b>24 813 547</b> | <b>38 360 214</b> |

#### Electricity

|                      |                  |                   |
|----------------------|------------------|-------------------|
| Current (0 -30 days) | 917 361          | 1 209 423         |
| 31 - 60 days         | 334 926          | 1 042 655         |
| 61 - 90 days         | 280 165          | 993 766           |
| 91 - 120 days        | 301 469          | 964 050           |
| 121 - 365 days       | 5 410 203        | 9 289 231         |
|                      | <b>7 244 124</b> | <b>13 499 125</b> |

#### Water

|                      |                  |                   |
|----------------------|------------------|-------------------|
| Current (0 -30 days) | 2 853 380        | 1 883 227         |
| 31 - 60 days         | 788 878          | 1 623 547         |
| 61 - 90 days         | 376 603          | 1 547 422         |
| 91 - 120 days        | 333 557          | 1 501 151         |
| 121 - 365 days       | 4 411 495        | 14 464 526        |
|                      | <b>8 763 913</b> | <b>21 019 873</b> |

#### Sewerage

|                      |                  |                  |
|----------------------|------------------|------------------|
| Current (0 -30 days) | 243 243          | 222 488          |
| 31 - 60 days         | 163 870          | 191 809          |
| 61 - 90 days         | 157 525          | 182 815          |
| 91 - 120 days        | 153 720          | 177 349          |
| 121 - 365 days       | 1 701 267        | 1 708 865        |
|                      | <b>2 419 625</b> | <b>2 483 326</b> |

#### Refuse

|                      |                  |                  |
|----------------------|------------------|------------------|
| Current (0 -30 days) | 202 449          | 341 430          |
| 31 - 60 days         | 140 796          | 294 350          |
| 61 - 90 days         | 127 142          | 280 549          |
| 91 - 120 days        | 115 676          | 272 160          |
| 121 - 365 days       | 1 929 835        | 2 622 430        |
|                      | <b>2 515 898</b> | <b>3 810 919</b> |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

| Figures in Rand                                                                                                                                                                                    | 2016                 | 2015                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>4. Trade receivables from exchange transactions (continued)</b>                                                                                                                                 |                      |                      |
| <b>Housing rental</b>                                                                                                                                                                              |                      |                      |
| Current (0 -30 days)                                                                                                                                                                               | 980                  | 44 407               |
| 31 - 60 days                                                                                                                                                                                       | 909                  | 38 284               |
| 61 - 90 days                                                                                                                                                                                       | 2 058                | 36 489               |
| 91 - 120 days                                                                                                                                                                                      | 806                  | 35 398               |
| 121 - 365 days                                                                                                                                                                                     | 27 585               | 341 081              |
|                                                                                                                                                                                                    | <b>32 338</b>        | <b>495 659</b>       |
| <b>Other (specify)</b>                                                                                                                                                                             |                      |                      |
| Current (0 -30 days)                                                                                                                                                                               | 300 559              | 1 420 879            |
| 31 - 60 days                                                                                                                                                                                       | 140 969              | 1 224 953            |
| 61 - 90 days                                                                                                                                                                                       | 111 753              | 1 167 517            |
| 91 - 120 days                                                                                                                                                                                      | 119 683              | 1 132 606            |
| 121 - 365 days                                                                                                                                                                                     | 3 164 685            | 6 333 773            |
| > 365 days                                                                                                                                                                                         | -                    | (14 228 416)         |
|                                                                                                                                                                                                    | <b>3 837 649</b>     | <b>(2 948 688)</b>   |
| <b>Reconciliation of allowance for impairment</b>                                                                                                                                                  |                      |                      |
| Balance at beginning of the year                                                                                                                                                                   | (116 853 542)        | (113 451 004)        |
| Contributions to allowance                                                                                                                                                                         | (430 231 789)        | (22 210 545)         |
|                                                                                                                                                                                                    | <b>(547 085 331)</b> | <b>(135 661 549)</b> |
| <b>Receivables pledged as security</b>                                                                                                                                                             |                      |                      |
| During the year no receivables were pledged as security.                                                                                                                                           |                      |                      |
| <b>5. Trade receivables from non - exchange transactions</b>                                                                                                                                       |                      |                      |
| Trade receivables from non-exchange transactions comprised of property rates. The significant increases during the year compared to prior year were due to the increase in mining property values. |                      |                      |
| <b>Property rates</b>                                                                                                                                                                              |                      |                      |
| Property rates                                                                                                                                                                                     | 365 411 940          | 222 214 387          |
| Less: Allowance for impairment                                                                                                                                                                     | (361 997 743)        | (201 284 170)        |
|                                                                                                                                                                                                    | <b>3 414 197</b>     | <b>20 930 217</b>    |
| <b>Property rates</b>                                                                                                                                                                              |                      |                      |
| Current (0 -30 days)                                                                                                                                                                               | 178 077              | 1 875 194            |
| 31 - 60 days                                                                                                                                                                                       | 165 904              | 1 616 622            |
| 61 - 90 days                                                                                                                                                                                       | 163 869              | 1 540 821            |
| 91 - 120 days                                                                                                                                                                                      | 161 080              | 1 494 748            |
| 121 - 365 days                                                                                                                                                                                     | 2 745 268            | 14 402 833           |
|                                                                                                                                                                                                    | <b>3 414 198</b>     | <b>20 930 218</b>    |
| <b>Reconciliation of allowance for impairment: non-exchange transactions</b>                                                                                                                       |                      |                      |
| Balance at the beginning of the year                                                                                                                                                               | (201 284 170)        | (21 456 121)         |
| Contributions to allowance                                                                                                                                                                         | (160 713 573)        | (179 828 049)        |
|                                                                                                                                                                                                    | <b>(361 997 743)</b> | <b>(201 284 170)</b> |
| <b>6. Other receivables from exchange transactions</b>                                                                                                                                             |                      |                      |
| Salary debtors                                                                                                                                                                                     | 244 718              | -                    |
| Receivables                                                                                                                                                                                        | 11 573 108           | 8 827 041            |
| Allowance for impairment- receivables                                                                                                                                                              | (11 398 095)         | (8 005 155)          |
|                                                                                                                                                                                                    | <b>419 731</b>       | <b>821 886</b>       |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

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### 7. Other Receivables from non-exchange transactions

|                                        |                  |                  |
|----------------------------------------|------------------|------------------|
| Fines debtors                          | 28 883 960       | 25 808 223       |
| Allowance for impairment- non exchange | (27 376 025)     | (24 031 808)     |
|                                        | <b>1 507 935</b> | <b>1 776 415</b> |

### 8. Inventories

|                            |                  |                  |
|----------------------------|------------------|------------------|
| Consumable stores- at cost | 973 899          | 770 452          |
| Water                      | 385 154          | 329 960          |
|                            | <b>1 359 053</b> | <b>1 100 412</b> |

During the year no inventory was pledged as security.

### 9. Investment property

|                     | 2016                |                                                                 |                | 2015                |                                                                 |                |
|---------------------|---------------------|-----------------------------------------------------------------|----------------|---------------------|-----------------------------------------------------------------|----------------|
|                     | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value | Cost /<br>Valuation | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value |
| Investment property | 118 674 363         | -                                                               | 118 674 363    | 103 445 274         | -                                                               | 103 445 274    |

#### Reconciliation of investment property - 2016

|                     | Opening<br>balance | Fair value<br>adjustments | Total       |
|---------------------|--------------------|---------------------------|-------------|
| Investment property | 103 445 274        | 15 229 089                | 118 674 363 |

#### Reconciliation of investment property - 2015

|                     | Opening<br>balance | Stands<br>previously not<br>recognised | Derecognition<br>of stands | Fair value<br>adjustments | Total       |
|---------------------|--------------------|----------------------------------------|----------------------------|---------------------------|-------------|
| Investment property | 94 728 387         | 2 660 835                              | (1 423 447)                | 7 479 499                 | 103 445 274 |

#### Pledged as security

During the year no investment property was pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.



# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

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### 10. Property, plant and equipment

|                                                      | 2016                 |                                                                 |                      | 2015                 |                                                                 |                      |
|------------------------------------------------------|----------------------|-----------------------------------------------------------------|----------------------|----------------------|-----------------------------------------------------------------|----------------------|
|                                                      | Cost /<br>Valuation  | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value       | Cost /<br>Valuation  | Accumulated<br>depreciation<br>and<br>accumulated<br>impairment | Carrying value       |
| Land and buildings                                   | 85 021 157           | (51 453 026)                                                    | 33 568 131           | 84 126 392           | (48 908 795)                                                    | 35 217 597           |
| Housing (including land)                             | 26 267 156           | (22 335 644)                                                    | 3 931 512            | 26 267 156           | (21 850 639)                                                    | 4 416 517            |
| Community assets                                     | 605 394 184          | (304 543 000)                                                   | 300 851 184          | 604 345 902          | (280 303 235)                                                   | 324 042 667          |
| Sports & recreational facilities<br>(including land) | 20 667 286           | (1 597 282)                                                     | 19 070 004           | 13 670 959           | (882 155)                                                       | 12 788 804           |
| Capital spares                                       | 1 870 944            | -                                                               | 1 870 944            | 1 870 944            | -                                                               | 1 870 944            |
| Electricity network                                  | 375 681 687          | (231 001 463)                                                   | 144 680 224          | 353 165 977          | (224 369 476)                                                   | 128 796 501          |
| Rail network                                         | 958 041              | -                                                               | 958 041              | 958 041              | -                                                               | 958 041              |
| Roads and stormwater network                         | 732 989 852          | (240 873 020)                                                   | 492 116 832          | 709 330 738          | (229 113 462)                                                   | 480 217 276          |
| Sanitation network                                   | 288 555 787          | (159 632 537)                                                   | 128 923 250          | 272 515 316          | (155 381 082)                                                   | 117 134 234          |
| Water network                                        | 269 443 402          | (157 615 606)                                                   | 111 827 796          | 258 012 748          | (143 629 674)                                                   | 114 383 074          |
| Furniture and fixtures                               | 14 628 719           | (8 445 243)                                                     | 6 183 476            | 13 852 500           | (6 879 959)                                                     | 6 972 541            |
| IT equipment                                         | 3 975 576            | (2 043 684)                                                     | 1 931 892            | 3 170 815            | (1 476 580)                                                     | 1 694 235            |
| Motor vehicles                                       | 17 149 559           | (13 054 450)                                                    | 4 095 109            | 17 149 559           | (10 182 251)                                                    | 6 967 308            |
| Library books                                        | 9 008 451            | (4 762 174)                                                     | 4 246 277            | 8 349 872            | (3 832 709)                                                     | 4 517 163            |
| <b>Total</b>                                         | <b>2 451 611 801</b> | <b>(1 197 357 129)</b>                                          | <b>1 254 254 672</b> | <b>2 366 786 919</b> | <b>(1 126 810 017)</b>                                          | <b>1 239 976 902</b> |

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# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

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### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2016

|                                                   | Opening<br>balance   | Difference        | Additions        | Additions-work<br>in progress | Transfers from<br>wip | Depreciation        | Total                |
|---------------------------------------------------|----------------------|-------------------|------------------|-------------------------------|-----------------------|---------------------|----------------------|
| Land                                              | -                    | (108 160)         | -                | 54 080                        | 54 080                | -                   | -                    |
| Land and Buildings                                | 35 217 597           | 894 765           | -                | -                             | -                     | (2 544 231)         | 33 568 131           |
| Housing (including land)                          | 4 416 517            | (12 779 378)      | -                | 6 389 689                     | 6 389 689             | (485 005)           | 3 931 512            |
| Community assets                                  | 324 042 667          | 6 584 595         | -                | 2 027 714                     | (7 564 027)           | (24 239 765)        | 300 851 184          |
| Sports & recreational facilities (including land) | 12 788 804           | (4 246 135)       | -                | 9 062 390                     | 2 180 072             | (715 127)           | 19 070 004           |
| Capital spares                                    | 1 870 944            | -                 | -                | -                             | -                     | -                   | 1 870 944            |
| Electricity network                               | 128 796 501          | 18 086 143        | -                | 14 147 638                    | (9 718 071)           | (6 631 987)         | 144 680 224          |
| Rail network                                      | 958 041              | -                 | -                | -                             | -                     | -                   | 958 041              |
| Roads and Stormwater network                      | 480 217 276          | 26 485 401        | -                | 10 366 017                    | (13 192 303)          | (11 759 559)        | 492 116 832          |
| Sanitation network                                | 117 134 234          | 16 040 471        | -                | -                             | -                     | (4 251 455)         | 128 923 250          |
| Water network                                     | 114 383 074          | 11 428 394        | -                | 6 812 980                     | (6 810 720)           | (13 985 932)        | 111 827 796          |
| Furniture and fixtures                            | 6 972 547            | 28 399            | 747 820          | -                             | -                     | (1 565 284)         | 6 183 476            |
| IT equipment                                      | 1 674 235            | 539 381           | 265 380          | -                             | -                     | (567 104)           | 1 931 892            |
| Motor vehicles                                    | 6 967 308            | -                 | -                | -                             | -                     | (2 872 199)         | 4 095 109            |
| Library books                                     | 4 517 163            | 115 860           | 596 352          | -                             | -                     | (983 098)           | 4 246 277            |
|                                                   | <b>1 239 976 902</b> | <b>63 069 736</b> | <b>1 609 552</b> | <b>48 860 508</b>             | <b>(28 661 280)</b>   | <b>(70 600 746)</b> | <b>1 254 254 672</b> |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

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### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2015

|                                                      | Opening<br>balance   | Additions        | Additions<br>through entity<br>combinations | Transfers<br>received | Transfers           | Revaluations     | Other changes,<br>movements | Depreciation        | Impairment<br>loss | Total                |
|------------------------------------------------------|----------------------|------------------|---------------------------------------------|-----------------------|---------------------|------------------|-----------------------------|---------------------|--------------------|----------------------|
| Land and Buildings                                   | 37 814 585           | -                | -                                           | -                     | -                   | -                | -                           | (2 544 231)         | (52 757)           | 35 217 597           |
| Housing (including land)                             | 5 007 306            | -                | -                                           | -                     | -                   | -                | -                           | (590 789)           | -                  | 4 416 517            |
| Community assets                                     | 333 762 112          | -                | 8 961 624                                   | 2 022 264             | (596 620)           | -                | (6 994)                     | (19 128 186)        | (971 533)          | 324 042 667          |
| Sports & recreational facilities<br>(including land) | 337 407              | -                | 2 915 524                                   | -                     | 9 967 936           | -                | -                           | (432 063)           | -                  | 12 788 804           |
| Capital spares                                       | 1 870 944            | -                | -                                           | -                     | -                   | -                | -                           | -                   | -                  | 1 870 944            |
| Electricity network                                  | 121 003 167          | -                | 24 661 351                                  | -                     | (10 269 402)        | -                | (67 600)                    | (6 425 149)         | (105 866)          | 128 796 501          |
| Rail network                                         | 958 041              | -                | -                                           | -                     | -                   | -                | -                           | -                   | -                  | 958 041              |
| Roads and Stormwater network                         | 486 064 690          | -                | 12 874 771                                  | -                     | (12 874 770)        | 7 531 011        | (519 137)                   | (12 859 289)        | -                  | 480 217 276          |
| Sanitation network                                   | 121 210 254          | -                | 16 403 305                                  | -                     | (16 403 017)        | -                | -                           | (4 076 308)         | -                  | 117 134 234          |
| Water network                                        | 108 602 943          | -                | 9 458 392                                   | -                     | 10 524 094          | -                | -                           | (14 202 355)        | -                  | 114 383 074          |
| Furniture and fixtures                               | 6 937 682            | 1 445 227        | -                                           | -                     | -                   | -                | (1 012)                     | (1 409 356)         | -                  | 6 972 541            |
| IT equipment                                         | 1 664 994            | 524 902          | -                                           | -                     | -                   | 49 516           | (1 258)                     | (543 919)           | -                  | 1 694 235            |
| Motor vehicles                                       | 9 390 913            | -                | -                                           | -                     | -                   | -                | (297 931)                   | (2 125 674)         | -                  | 6 967 308            |
| Library books                                        | 5 023 145            | 441 252          | -                                           | -                     | -                   | -                | (15 159)                    | (932 075)           | -                  | 4 517 163            |
|                                                      | <b>1 239 648 183</b> | <b>2 411 381</b> | <b>75 274 967</b>                           | <b>2 022 264</b>      | <b>(19 651 779)</b> | <b>7 580 527</b> | <b>(909 091)</b>            | <b>(65 269 394)</b> | <b>(1 130 156)</b> | <b>1 239 976 902</b> |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

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### 10. Property, plant and equipment (continued)

#### Pledged as security

During the year no property, plant and equipment was pledged as security.

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# Westonaria Local Municipality

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### 10. Property, plant and equipment (continued)

#### Reconciliation of Work-in-Progress 2016

#### Reconciliation of Work-in-Progress 2015

|                                | Included within<br>Infrastructure | Included within<br>Community | Included within<br>Other PPE | Total             |
|--------------------------------|-----------------------------------|------------------------------|------------------------------|-------------------|
| Opening balance                | 521 391                           | -                            | -                            | 521 391           |
| Other movements [specify]      | 11 593 040                        | 3 011 680                    | (9 815 143)                  | 4 789 577         |
| Additions/capital expenditure  | 8 037 893                         | 8 400 435                    | (594 749)                    | 15 843 579        |
| Transferred to completed items | 265 154                           | 24 443 794                   | (13 855 763)                 | 10 853 185        |
|                                | <b>20 417 478</b>                 | <b>35 855 909</b>            | <b>(24 265 655)</b>          | <b>32 007 732</b> |

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

#### Reconciliation of Capital work-in-progress: 2016

| Category              | Opening<br>balance | Write off | Additions         | Capitalise          | Closing<br>balance |
|-----------------------|--------------------|-----------|-------------------|---------------------|--------------------|
| Buildings             | -                  | -         | 54 080            | -                   | 54 080             |
| Electricity network   | 12 953 133         | -         | 14 147 638        | (23 865 710)        | 3 235 061          |
| Community assets      | 8 002 623          | -         | 3 043 867         | (9 591 740)         | 1 454 750          |
| Sports and recreation | 4 077 465          | -         | 8 046 237         | (6 882 318)         | 5 241 384          |
| Roads and stormwater  | 14 790 669         | -         | 10 366 017        | (23 558 321)        | 1 598 365          |
| Water network         | 6 810 720          | -         | 6 812 980         | (13 623 700)        | -                  |
| Other                 | -                  | -         | 6 389 690         | -                   | 6 389 690          |
|                       | <b>46 634 610</b>  | <b>-</b>  | <b>48 860 509</b> | <b>(77 521 789)</b> | <b>17 973 330</b>  |

#### Reconciliation of Capital work-in-progress: 2015

| Category              | Opening<br>balance | Write off        | Additions         | Capitalise          | Closing<br>balance |
|-----------------------|--------------------|------------------|-------------------|---------------------|--------------------|
| Buildings             | 521 392            | -                | -                 | -                   | 521 392            |
| Electricity network   | 202 500            | -                | 24 454 154        | (11 703 522)        | 12 953 132         |
| Community assets      | 7 612 944          | -                | 8 755 040         | (8 365 361)         | 8 002 623          |
| Sports and recreation | 12 763 856         | -                | 6 992 979         | (15 571 886)        | 4 184 949          |
| Roads and stormwater  | 2 147 613          | -                | 12 733 292        | -                   | 14 880 905         |
| Wastewater network    | 4 023 135          | -                | 12 171 588        | -                   | 16 194 723         |
| Water network         | 6 571 487          | (441 432)        | 13 761 896        | (4 032 531)         | 15 859 420         |
|                       | <b>33 842 927</b>  | <b>(441 432)</b> | <b>78 868 949</b> | <b>(39 673 300)</b> | <b>72 597 144</b>  |

### 11. Intangible assets

|                   | 2016                |                                                                 |                  | 2015                |                                                                 |                  |
|-------------------|---------------------|-----------------------------------------------------------------|------------------|---------------------|-----------------------------------------------------------------|------------------|
|                   | Cost /<br>Valuation | Accumulated<br>amortisation<br>and<br>accumulated<br>impairment | Carrying value   | Cost /<br>Valuation | Accumulated<br>amortisation<br>and<br>accumulated<br>impairment | Carrying value   |
| Computer software | 2 008 065           | (371 380)                                                       | 1 636 685        | 375 395             | (269 945)                                                       | 105 450          |
| Servitudes        | -                   | -                                                               | -                | 1 632 670           | -                                                               | 1 632 670        |
| <b>Total</b>      | <b>2 008 065</b>    | <b>(371 380)</b>                                                | <b>1 636 685</b> | <b>2 008 065</b>    | <b>(269 945)</b>                                                | <b>1 738 120</b> |

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### 11. Intangible assets (continued)

#### Reconciliation of intangible assets - 2016

|                   | Opening balance  | Amortisation     | Total            |
|-------------------|------------------|------------------|------------------|
| Computer software | 105 450          | (101 435)        | 4 015            |
| Servitudes        | 1 632 670        | -                | 1 632 670        |
|                   | <b>1 738 120</b> | <b>(101 435)</b> | <b>1 636 685</b> |

#### Reconciliation of intangible assets - 2015

|                   | Opening balance  | Amortisation     | Total            |
|-------------------|------------------|------------------|------------------|
| Computer software | 375 395          | (269 945)        | 105 450          |
| Servitudes        | 1 632 670        | -                | 1 632 670        |
|                   | <b>2 008 065</b> | <b>(269 945)</b> | <b>1 738 120</b> |

### 12. Payables from exchange transactions

|                                           |                   |                    |
|-------------------------------------------|-------------------|--------------------|
| Trade payables                            | 53 382 742        | 25 581 746         |
| Eskom arrangement (long outstanding debt) | -                 | 46 538 308         |
| Unallocated deposit                       | 351 832           | 5 359 899          |
| Accrued expense (other)                   | -                 | 34 880             |
| Accrued expense (invoices not paid)       | 23 479 711        | 27 212 881         |
| Workmens Compensation fund                | -                 | 834 630            |
| Salary creditors                          | 6 528 968         | 3 582              |
| Receivables with credit balances          | -                 | 2 885 463          |
| Retention liability                       | 8 262 042         | 9 112 333          |
| Other deposits                            | 30 525            | 24 167             |
| Operating lease liability                 | 729 307           | 1 177 843          |
|                                           | <b>92 765 127</b> | <b>118 765 732</b> |

### 13. VAT payable

|                      |            |           |
|----------------------|------------|-----------|
| Tax refunds payables | 10 432 636 | 6 191 662 |
|----------------------|------------|-----------|

### 14. Consumer deposits

|                       |           |           |
|-----------------------|-----------|-----------|
| Electricity and water | 3 508 716 | 3 084 107 |
|-----------------------|-----------|-----------|

### Guarantees

|         |         |
|---------|---------|
| 240 000 | 240 000 |
|---------|---------|

Guarantees held in lieu of electricity and water deposits are not backed up by cash and are included in the consumer deposit register.

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### 15. Provisions

#### Reconciliation of provisions - 2016

|                                               | Opening Balance   | Additions        | Interest       | Change in discount factor | Reduction due to re-measurement or settlement without cost to entity | Total             |
|-----------------------------------------------|-------------------|------------------|----------------|---------------------------|----------------------------------------------------------------------|-------------------|
| Service bonus                                 | 843 415           | 677 146          | -              | -                         | -                                                                    | 1 520 561         |
| Provision for bonus                           | 2 409 056         | 18 791           | -              | -                         | -                                                                    | 2 427 847         |
| Legal proceedings                             | 5 750 000         | -                | -              | -                         | -                                                                    | 5 750 000         |
| Workmens Compensation Provision               | 2 422 612         | -                | -              | -                         | (2 422 612)                                                          | -                 |
| Provision for rehabilitation of landfill site | 44 914 833        | -                | 908 130        | (8 543 459)               | -                                                                    | 37 279 504        |
| Provision for leave pay                       | 5 692 971         | 1 237 351        | -              | -                         | -                                                                    | 6 930 322         |
|                                               | <b>62 032 887</b> | <b>1 933 288</b> | <b>908 130</b> | <b>(8 543 459)</b>        | <b>(2 422 612)</b>                                                   | <b>53 908 234</b> |

#### Reconciliation of provisions - 2015

|                                               | Opening Balance   | Additions        | Utilised during the year | Interest       | Total             |
|-----------------------------------------------|-------------------|------------------|--------------------------|----------------|-------------------|
| Service bonus                                 | 724 207           | 119 208          | -                        | -              | 843 415           |
| Provision for bonus                           | 2 048 698         | 360 358          | -                        | -              | 2 409 056         |
| Legal proceedings                             | 5 750 000         | -                | -                        | -              | 5 750 000         |
| Workmens Compensation Provision               | 2 422 612         | -                | -                        | -              | 2 422 612         |
| Provision for rehabilitation of landfill site | 42 003 226        | 2 022 264        | -                        | 889 343        | 44 914 833        |
| Provision for leave pay                       | 6 383 565         | -                | (690 595)                | -              | 5 692 971         |
|                                               | <b>59 332 609</b> | <b>2 501 830</b> | <b>(690 595)</b>         | <b>889 343</b> | <b>62 032 887</b> |

|                         |                   |                   |
|-------------------------|-------------------|-------------------|
| Non-current liabilities | 37 279 504        | 44 914 833        |
| Current liabilities     | 16 628 730        | 17 118 054        |
|                         | <b>53 908 234</b> | <b>62 032 887</b> |

#### Environmental rehabilitation provision

The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of the future obligation, discounted at 8.1649% over an average period of 10 years.

#### Details of valuation

The valuation was performed by Seakle Godschalk who is a professional environmental scientist from CSS Environment and sustainability solutions CC, who holds a qualification in Master's degree in Science and Masters degree in Accounting. Seakle Godschalk is an independent valuer and is registered with South African Council for Natural Scientific Professions as well as with the South African Institute of Ecologists and Environmental Scientists.

Date of valuation 31 July 2015

#### Performance bonus provision

The calculated provision for performance bonus was done using a rate of 14% of the total package. The provision for performance bonus is categorised as a provision based on the fact that the performance bonus will only be paid once an employee has met a performance condition. Therefore it is uncertain whether all the employees who are qualifying for a performance bonus will meet the performance bonus. In addition the bonus has to be approved by the Council. Only section 56 employees receive performance bonus

#### Service bonus provision

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### 15. Provisions (continued)

The calculated provision for service bonus were based on a thirteenth cheque which is monthly pro-rated according to the bonus months. The provision for service bonus is categorised as a provision due to the fact that it is uncertain whether the employee will still be in employment of the municipality during the month when the employee will be entitled to the bonus. If the employee leaves the employ of the municipality before the month in which she/ he will be entitled to a bonus, a portion of the bonus will not be paid. All permanent employees receives service bonus (13th cheque)

#### Provision for leave pay

Provision for leave pay is calculated in terms of the main collective agreement based on outstanding number of leave days. Any leave days in excess of forty eight (48) days is forfeited.

### 16. Employee benefit obligations (Defined contribution plan)

There are six (6) retirement funds into which Councillors and employees contribute. The municipality is not liable for any short fall arising from pension funds contributions. Further detail of retirement funds and medical aid plans are provided below:

#### Defined Contribution (DC) Multi-Employers Pension scheme

##### Municipal Employees Pension Fund

The contribution rate payable is 7,5% by the members and on average 21.8% by Council. The last Actuarial valuation on this fund was performed in February 2011 certified that the fund is in a sound financial state. The total assets amounts to R 7,544,211,000 (28 February 2008: R 5,715,557,000) and liabilities to R 6,991,439,000 (28 February 2008: R 4,900,548,000) with a total of 17,110 members (28 February 2008: 14,610 members).

The most recently actuarial available valuation was done at 28/02/2009. The funding level of the fund is at 102.2% The basis key assumptions are as follow: Gross discount rate 11.1%; Salary inflation 7,4%; Net post-retirement discount rate 4.4%. The current surplus is relatively small and is not expected to have any impact on the required employer discount rate. The total in-service membership of the MEPF was 15.978 as at 28/02/2009.

##### Joint Municipality Pension Fund

The average contribution rate payable is 7,08% by the members and on average 10.05 % by Council. The last Actuarial valuation on this fund was performed in 31 March 2013 certified that the fund is in a sound financial state. The total assets amounts to R 1,651,394,000 (31 March 2012: R 1,288,291,000) and liabilities to R 1,463,574,000 (31 March 2012: R 1,157,898,000) with a total of 10,579 members (31 March 2013: 9,942 members)

##### SALA Pension Fund

The contribution rate payable is 8.6% by the members and 20.78% by Council. The total assets amounts to on 30 June 2014 amounts to R 12,768,360,060 (30 June 2013: R 10,693,896,597).

#### Defined Contribution (DC) Multi-Employers Pension scheme

**Municipal Gratuity Fund:** The defined benefit scheme is a multi-employer plan and the contribution rate payable is a minimum of 7.5% by the members and 22% by Council. The last valuation performed for the year ended 30 June 2013 revealed that the fund had assets of R 14,565,277,000 and in a sound financial state as at 30 June 2013.

**National Fund for Municipal workers:** The above mentioned fund is a defined contribution Fund and according to Regulation 2 of the Pension Funds Act no 24 of 1956 exempt from the provisions of sections 9A and 16 of the Act. As at 30 June 2011 the results state that the way the benefits are structured in the rules, the fund is limited to an amount equal to the accumulation of all the contributions plus investment returns less administration costs. The NFMW Retirement Fund does not have any reserve accounts or surpluses which could be allocated to members Fund. The total assets amounts to R 4,316,586,594 as at 30 June 2011 (June 2010: R 4,144,125,897).



# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2016 | 2015 |
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|-----------------|------|------|

### 17. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

#### Carrying value

|                                                                         |                      |                     |
|-------------------------------------------------------------------------|----------------------|---------------------|
| Present value of the defined benefit obligation-wholly unfunded         | (90 117 000)         | (77 174 000)        |
| Present value of the defined benefit obligation-partly or wholly funded | (11 022 000)         | (12 730 000)        |
|                                                                         | <b>(101 139 000)</b> | <b>(89 904 000)</b> |
| Non-current liabilities                                                 | (98 758 853)         | (87 836 075)        |
| Current liabilities                                                     | (2 380 147)          | (2 067 925)         |
|                                                                         | <b>(101 139 000)</b> | <b>(89 904 000)</b> |

Changes in the present value of the defined benefit obligation are as follows:

|                                                                  |                   |                  |
|------------------------------------------------------------------|-------------------|------------------|
| Opening balance                                                  | 2 995 000         | -                |
| Benefits paid                                                    | (2 380 147)       | (2 067 925)      |
| Net expense recognised in the statement of financial performance | 13 615 147        | 5 062 925        |
|                                                                  | <b>14 230 000</b> | <b>2 995 000</b> |

Net expense recognised in the statement of financial performance

|                          |                   |                  |
|--------------------------|-------------------|------------------|
| Current service cost     | 5 844 000         | 5 435 000        |
| Interest cost            | 8 377 000         | 7 800 000        |
| Actuarial (gains) losses | (605 853)         | (8 172 075)      |
|                          | <b>13 615 147</b> | <b>5 062 925</b> |

Calculation of actuarial gains and losses

|                                       |           |             |
|---------------------------------------|-----------|-------------|
| Actuarial (gains) losses – Obligation | (605 853) | (8 172 075) |
|---------------------------------------|-----------|-------------|

The effect of a 1% p.a. change in the medical aid inflation assumption has been tested. The effect is as follows:

| Medical aid inflation   | -1% Medical aid inflation | Valuation Assumption | +1% Medical aid inflation |
|-------------------------|---------------------------|----------------------|---------------------------|
| Total accrued liability | 76 414 000                | 90 117 000           | 107 237 000               |
| Interest cost           | 7 722 000                 | 9 134 000            | 10 901 000                |
| Service cost            | 4 251 000                 | 5 281 000            | 6 616 000                 |
|                         | <b>88 387 000</b>         | <b>104 532 000</b>   | <b>124 754 000</b>        |

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees.

| Normal salary inflation | -1% Normal salary inflation | Valuation Assumption | +1% Normal salary inflation |
|-------------------------|-----------------------------|----------------------|-----------------------------|
| Total accrued liability | 10 334 000                  | 11 022 000           | 11 781 000                  |
| Interest cost           | 950 000                     | 1 035 000            | 1 130 000                   |
| Service cost            | 1 001 000                   | 1 074 000            | 1 154 000                   |
|                         | <b>12 285 000</b>           | <b>13 131 000</b>    | <b>14 065 000</b>           |

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the liability of future employees.

#### Details of valuation

The valuation was performed by Niel Fourie from ZAQEN Actuaries (Pty) Ltd who is qualified as per APN301 to sign off the GRAP 25 valuation and has 8 years experience. Niel Fourie is an independent valuer and is registered with Actuarial Society of South Africa.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

| Figures in Rand                                                                                              | 2016               | 2015               |
|--------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>18. Long term loans</b>                                                                                   |                    |                    |
| <b>At amortised cost</b>                                                                                     |                    |                    |
| Annuity loans                                                                                                | 7 240 214          | 5 078 141          |
| Annuity loans are fixed rate loans. Interest and capital on redemption of annuity loans are payable monthly. |                    |                    |
| INCA West 01-0004 @ 13.27%                                                                                   |                    |                    |
| INCA West 01-0005 @ 10.61%                                                                                   |                    |                    |
| INCA West 01-0008 @ 11.11%                                                                                   |                    |                    |
| INCA West 01-0009 @ 13.36%                                                                                   |                    |                    |
| INCA West 01-0011 @ 13.79%                                                                                   |                    |                    |
| DBSA @ 8.5%                                                                                                  |                    |                    |
| Enterprise loan                                                                                              | -                  | 7 641 197          |
| Fixed rate enterprise loan, from Standard bank at an interest rate of 9.85% that commenced 31 December 2012. |                    |                    |
|                                                                                                              | <b>7 240 214</b>   | <b>12 719 338</b>  |
| <b>Total long term loans</b>                                                                                 | <b>7 240 214</b>   | <b>12 719 338</b>  |
| <b>Non-current liabilities</b>                                                                               |                    |                    |
| At amortised cost                                                                                            | 2 343 400          | 7 308 499          |
| <b>Current liabilities</b>                                                                                   |                    |                    |
| At amortised cost                                                                                            | 4 896 814          | 5 410 839          |
| <b>19. Property rates</b>                                                                                    |                    |                    |
| <b>Rates and taxes</b>                                                                                       |                    |                    |
| Residential, commercial, industrial, municipal and rural land                                                | 265 548 816        | 265 311 461        |
| <b>20. Service charges</b>                                                                                   |                    |                    |
| Sale of electricity                                                                                          | 100 061 028        | 87 796 342         |
| Sale of water                                                                                                | 145 290 618        | 140 328 389        |
| Sewerage and sanitation charges                                                                              | 32 753 949         | 25 657 746         |
| Refuse removal                                                                                               | 18 240 288         | 16 308 343         |
| Other service charges                                                                                        | 14 211             | -                  |
|                                                                                                              | <b>296 360 094</b> | <b>270 090 820</b> |
| <b>21. Fees earned</b>                                                                                       |                    |                    |
| <b>Fees</b>                                                                                                  |                    |                    |
| Cemetery fees                                                                                                | 168 248            | 159 065            |
| Electricity: connection fees                                                                                 | -                  | 137                |
| Electricity: reconnection fees                                                                               | 947 359            | 189 824            |
| Gymnasium joining fee                                                                                        | 22 491             | 4 982              |
| Gymnasium fee income                                                                                         | 45 899             | 3 123              |
|                                                                                                              | <b>1 183 997</b>   | <b>357 131</b>     |
| <b>22. Other income</b>                                                                                      |                    |                    |
| Sundry income                                                                                                | 1 845 606          | 950 985            |
| Income from other sources                                                                                    | 8 810 257          | 813 537            |
| Social responsibility                                                                                        | 165 978            | 239 011            |
| Property sales                                                                                               | 219 756            | 285 638            |
|                                                                                                              | <b>11 041 597</b>  | <b>2 289 171</b>   |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

| Figures in Rand                               | 2016             | 2015             |
|-----------------------------------------------|------------------|------------------|
| <b>23. Public contributions and donations</b> |                  |                  |
| Gauteng Province                              | 2 830 000        | -                |
| Other contributions                           | -                | 7 000            |
| Mines social contribution                     | 1 181 898        | -                |
| Performance management system                 | -                | 500 000          |
| Water pipe line Danny Dali                    | 4 670 203        | -                |
| Computers received from GPDSACR               | -                | 49 516           |
| Roads and stormwater- Rubble trap             | -                | 7 531 011        |
| Library books                                 | 31 380           | -                |
|                                               | <b>8 713 481</b> | <b>8 087 527</b> |

The above contributions were received from Department of Cooperative Governance and Traditional Affairs (CoGTA) to assist the municipality with its operations.

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# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2016 | 2015 |
|-----------------|------|------|
|-----------------|------|------|

### 24. Government grants and subsidies

#### Operating grants

|                                                     |                           |                           |
|-----------------------------------------------------|---------------------------|---------------------------|
| Equitable share                                     | 123 323 000               | 113 718 000               |
| Government grant (operating) 4                      | -                         | 2 567 000                 |
| Expanded Public Works Programme Grant               | 2 024 000                 | 2 731 000                 |
| Infrastructure Skills Development Grant             | 3 000 000                 | 4 724 938                 |
| Finance Management Grant                            | 1 450 000                 | 1 450 000                 |
| Municipal Systems Improvement Grant                 | 930 000                   | 934 000                   |
| DAC funding and equitable share: Libraries          | 6 120 000                 | 3 864 061                 |
| Provincial health subsidy                           | 841 003                   | 1 546 171                 |
| Grant Pick it up                                    | 2 129 803                 | -                         |
|                                                     | <u>139 817 806</u>        | <u>131 535 170</u>        |
| <b>Capital grants</b>                               |                           |                           |
| Municipal linfastructure Grant: capital expenditure | 46 371 000                | 62 113 000                |
| Integrated National Electrification Programme Grant | 2 211 086                 | 7 000 000                 |
|                                                     | <u>48 582 086</u>         | <u>69 113 000</u>         |
|                                                     | <u><b>188 399 892</b></u> | <u><b>200 648 170</b></u> |

#### Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a subsidy of 6 kilolitre (kl) water, 50 kwh of electricity, basic sewer, refuse and property rates which is funded by the grant.

#### Equitable share

|                                         |               |               |
|-----------------------------------------|---------------|---------------|
| Current-year receipts                   | 123 323 000   | 113 718 000   |
| Conditions met - transferred to revenue | (123 323 000) | (113 718 000) |
|                                         | <u>-</u>      | <u>-</u>      |

#### MIG- Operational expenditure

|                                         |             |             |
|-----------------------------------------|-------------|-------------|
| Current-year receipts                   | 1 672 370   | 2 567 000   |
| Conditions met - transferred to revenue | (1 672 370) | (2 567 000) |
|                                         | <u>-</u>    | <u>-</u>    |

This grants is used to fund project management unit (PMU) operations.

#### EPWP

|                                         |             |             |
|-----------------------------------------|-------------|-------------|
| Current-year receipts                   | 2 024 000   | 2 731 000   |
| Conditions met - transferred to revenue | (2 024 000) | (2 731 000) |
|                                         | <u>-</u>    | <u>-</u>    |

This grant is used to pay stpends to EPWP employees.

#### ISDG

|                                         |             |             |
|-----------------------------------------|-------------|-------------|
| Balance unspent at beginning of year    | -           | 2 724 938   |
| Current-year receipts                   | 3 000 000   | 2 000 000   |
| Conditions met - transferred to revenue | (3 000 000) | (4 724 938) |
|                                         | <u>-</u>    | <u>-</u>    |

Conditions still to be met - remain liabilities (see note ).

This grants was used to enhance skills within the infrastructure department. It pays the salaries for the interns and their mentor within infrastructure department.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

| Figures in Rand | 2016 | 2015 |
|-----------------|------|------|
|-----------------|------|------|

### 24. Government grants and subsidies (continued)

#### FMG

|                                         |             |             |
|-----------------------------------------|-------------|-------------|
| Current-year receipts                   | 1 450 000   | 1 450 000   |
| Conditions met - transferred to revenue | (1 450 000) | (1 450 000) |
|                                         | <u>-</u>    | <u>-</u>    |

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA.

#### MSIG

|                                         |           |           |
|-----------------------------------------|-----------|-----------|
| Current-year receipts                   | 930 000   | 934 000   |
| Conditions met - transferred to revenue | (930 000) | (934 000) |
|                                         | <u>-</u>  | <u>-</u>  |

This grant was used to build in-house capacity to perform their functions and stabilise institutional and government systems. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

#### DAC Funding and Equitable share share (Libraries)

|                                         |             |             |
|-----------------------------------------|-------------|-------------|
| Current-year receipts                   | 6 120 000   | 3 864 000   |
| Conditions met - transferred to revenue | (6 120 000) | (3 864 000) |
|                                         | <u>-</u>    | <u>-</u>    |

This grant is used to fund library operations. It is also used to purchase book detection system and library books.

#### Provincial health subsidy

|                                         |           |             |
|-----------------------------------------|-----------|-------------|
| Balance unspent at beginning of year    | -         | 653 521     |
| Current-year receipts                   | 939 820   | 892 650     |
| Conditions met - transferred to revenue | (939 820) | (1 546 171) |
|                                         | <u>-</u>  | <u>-</u>    |

Conditions still to be met - remain liabilities (see note ).

This is HIV/ Aids subsidy which was used to pay the stipends, to spend on consumer awareness and training.

#### MIG- Capital expenditure

|                                         |              |              |
|-----------------------------------------|--------------|--------------|
| Balance unspent at beginning of year    | -            | 13 338 000   |
| Current-year receipts                   | 46 371 000   | 48 775 000   |
| Conditions met - transferred to revenue | (46 371 000) | (62 113 000) |
|                                         | <u>-</u>     | <u>-</u>     |

This grant was used to construct basic municipal infrastructure to provide basic services for the benefit of poor households..

#### Integrated National Electrification Programme Grant

|                                         |             |             |
|-----------------------------------------|-------------|-------------|
| Current-year receipts                   | 8 000 000   | 7 000 000   |
| Conditions met - transferred to revenue | (2 211 086) | (7 000 000) |
| Unspent Conditional Grant               | (5 788 914) | -           |
|                                         | <u>-</u>    | <u>-</u>    |

This grant was received from Department of Energy to finance the electrification of Borwa project housing..

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

Figures in Rand

2016

2015

### 25. Fines

#### Fines includes the following:

|                      |              |                  |
|----------------------|--------------|------------------|
| Camera speed fines   | -            | 1 327 050        |
| Manual traffic fines | -            | 1 548 350        |
| Library fines        | 1 687        | 1 743            |
|                      | <u>1 687</u> | <u>2 877 143</u> |

### 26. Interest income

#### Interest revenue

|             |                  |                  |
|-------------|------------------|------------------|
| Investments | 1 676 195        | 1 539 451        |
|             | -                | -                |
|             | <u>1 676 195</u> | <u>1 539 451</u> |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

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|-----------------|------|------|

### 27. Employee related costs

|                                                                    |                    |                    |
|--------------------------------------------------------------------|--------------------|--------------------|
| Basic                                                              | 93 520 577         | 78 526 288         |
| Bonus                                                              | 6 026 140          | 5 407 287          |
| Medical aid - company contributions                                | 11 015 338         | 9 021 988          |
| UIF                                                                | 811 234            | 716 651            |
| SDL                                                                | 1 231 823          | 990 089            |
| Other payroll levies                                               | 54 364             | 48 554             |
| Leave pay provision charge                                         | 1 237 350          | (690 595)          |
| Standby allowance                                                  | 1 171 712          | 959 682            |
| Bonus accrual                                                      | 695 936            | 479 567            |
| Defined contribution plans                                         | 14 389 872         | 13 069 181         |
| Travel, motor car, accommodation, subsistence and other allowances | 8 192 069          | 6 289 099          |
| Overtime payments                                                  | 5 064 746          | 3 975 408          |
| Long-service awards                                                | 2 043 090          | 1 668 587          |
| Acting allowances                                                  | 1 483 634          | 533 545            |
| Housing benefits and allowances                                    | 1 530 873          | 685 976            |
| Medical aid- on going members                                      | 1 040 981          | 1 187 181          |
| Group life                                                         | 1 200 406          | 1 131 003          |
| Uniforms and overalls                                              | 149 775            | 64 476             |
| Telephone allowance                                                | 430 251            | 318 391            |
| Defined benefit plan: Benefits paid                                | (2 776 000)        | (2 067 925)        |
| Defined benefit plan: Current service cost                         | 5 844 000          | 5 435 000          |
|                                                                    | <b>154 358 171</b> | <b>127 749 433</b> |

### Remuneration of Municipal Manager (Mr TC Ndlovu)

|                                                 |                  |                  |
|-------------------------------------------------|------------------|------------------|
| Annual Remuneration                             | 1 275 238        | 1 273 788        |
| Car Allowance                                   | 153 000          | 72 000           |
| Bonuses                                         | 104 579          | 106 149          |
| Contributions to UIF, Medical and Pension Funds | 1 785            | 1 785            |
| SDL                                             | 15 032           | 14 375           |
| Salga                                           | 87               | 81               |
|                                                 | <b>1 549 721</b> | <b>1 468 178</b> |

### Remuneration of Chief Finance Officer (Mr VB Mkhafa)

|                                                 |                  |                |
|-------------------------------------------------|------------------|----------------|
| Annual Remuneration                             | 839 235          | 722 075        |
| Car Allowance                                   | 204 000          | 204 000        |
| Bonuses                                         | 67 665           | 57 278         |
| Contributions to UIF, Medical and Pension Funds | 2 175            | 1 785          |
| Salga                                           | 87               | 81             |
| SDL                                             | 10 701           | 9 426          |
|                                                 | <b>1 123 863</b> | <b>994 645</b> |

Chief financial officer was appointed on 02 December 2013.

### Remuneration of Acting Executive Manager: Corporate (Mr M Lerata)

|                                                 |                |                |
|-------------------------------------------------|----------------|----------------|
| Annual Remuneration                             | 252 911        | 741 976        |
| Car Allowance                                   | -              | 110 000        |
| Contributions to UIF, Medical and Pension Funds | -              | 69 212         |
| SDL                                             | 2 529          | 8 098          |
| Salga                                           | -              | 432            |
|                                                 | <b>255 440</b> | <b>929 718</b> |

The Executive manager: Corporate resigned on 31 May 2015. Acting Executive Manager Corporate services was appointed and remunerated with the disclosed amount of R 255 440

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

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### 27. Employee related costs (continued)

#### Remuneration of Executive Manager Community Services (Mrs T Morolo)

|                                                 |                  |                |
|-------------------------------------------------|------------------|----------------|
| Annual Remuneration                             | 715 555          | 595 002        |
| Car Allowance                                   | 183 000          | 156 000        |
| Contributions to UIF, Medical and Pension Funds | 198 672          | 168 347        |
| SDL                                             | 8 477            | 7 111          |
| Salga                                           | 87               | 471            |
|                                                 | <u>1 105 791</u> | <u>926 931</u> |

#### Remuneration of Executive Manager Infrastructure (Mr M Machaba)

|                                                 |                  |                |
|-------------------------------------------------|------------------|----------------|
| Annual Remuneration                             | 867 819          | 725 527        |
| Car Allowance                                   | 217 690          | 237 480        |
| Contributions to UIF, Medical and Pension Funds | 2 142            | 1 785          |
| Telephone allowance                             | 11 000           | 12 000         |
| SDL                                             | 10 530           | 9 275          |
| Salga                                           | 80               | 471            |
|                                                 | <u>1 109 261</u> | <u>986 538</u> |

Executive Manager: Infrastructure resigned on the 31 May 2016.

#### Employee related cost (including section 56 managers)

|                    |                    |
|--------------------|--------------------|
| <u>154 358 171</u> | <u>133 055 443</u> |
|--------------------|--------------------|

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# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

### 28. Remuneration of councillors

| Councillors allowance                            | 11 327 282          |                                                         |                                            | 11 853 011        |
|--------------------------------------------------|---------------------|---------------------------------------------------------|--------------------------------------------|-------------------|
|                                                  | Annual remuneration | Accommodation, subsistence, travel and other allowances | Contributions to medical and pension funds | Total             |
| Cllr S. Monoane (Speaker)                        | 410 640             | 181 872                                                 | 66 653                                     | 659 165           |
| Cllr N. Tundzi (Executive Mayor)                 | 468 972             | 227 772                                                 | 121 154                                    | 817 898           |
| Cllr A. Gela (MMC Health and Social Development) | 384 984             | 172 032                                                 | 62 496                                     | 619 512           |
| Cllr G. Khoza sec80                              | 154 728             | 83 772                                                  | 25 231                                     | 263 731           |
| Cllr N. Khenene (MMC Human settlements)          | 384 984             | 172 032                                                 | 62 496                                     | 619 512           |
| Cllr T.A Mncube (MMC Public Safety)              | 384 984             | 172 032                                                 | 62 496                                     | 619 512           |
| Cllr N R Mkhumbuzi (MMC Infrastructure)          | 384 984             | 172 032                                                 | 62 496                                     | 619 512           |
| Cllr A. Ntshiba (MMC Finance)                    | 384 984             | 172 578                                                 | 62 504                                     | 620 066           |
| Cllr Segwetshe (MMC Corporate)                   | 384 984             | 172 032                                                 | 62 479                                     | 619 495           |
| Cllr N Baza                                      | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr PHC De Jager                                | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr N Dyase                                     | 198 564             | 100 572                                                 | 32 290                                     | 331 426           |
| Cllr M Jokazi                                    | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr N Kolo                                      | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr JS Letlhake                                 | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr V Lwabi                                     | 154 728             | 83 772                                                  | 25 192                                     | 263 692           |
| Cllr DL Mampe                                    | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr I Merabe                                    | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr M Mgamntwini                                | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr PM Mkhungekwana                             | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr T Mngomezulu                                | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr MM Mthimkhulu                               | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr E Molatlhwa                                 | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr DS Molebatsi                                | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr K Ncele                                     | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr T Nkwatani                                  | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr ND Ndzipho                                  | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr CM Seitheiso                                | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr A Sityebi                                   | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
| Cllr CD Turner                                   | 206 292             | 24 468                                                  | 32 910                                     | 263 670           |
| Cllr M Van Graan                                 | 154 728             | 83 772                                                  | 25 189                                     | 263 689           |
|                                                  | <b>6 843 660</b>    | <b>3 326 634</b>                                        | <b>1 156 988</b>                           | <b>11 327 282</b> |

### In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the council.

The Executive Mayor has use of a council owned vehicle for official duties and has two full-time bodyguards. The Executive mayor is also provided with official residence.

The Speaker has the use of a council owned vehicle and body guards.

The councillors are provided with laptop computers and data modems.

### 29. Depreciation and amortisation

|                               |                   |                   |
|-------------------------------|-------------------|-------------------|
| Property, plant and equipment | 70 547 113        | 65 269 386        |
| Intangible assets             | 101 435           | 123 464           |
|                               | <b>70 648 548</b> | <b>65 392 850</b> |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

### 30. Finance costs

|                                 |                  |                   |
|---------------------------------|------------------|-------------------|
| Interest on arrear accounts     | 4 788 367        | 8 988 198         |
| Interest on external borrowings | 1 112 289        | 1 839 511         |
|                                 | <u>5 900 656</u> | <u>10 827 709</u> |

Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to R 5,755,990- (2015: R 10 827 709).

### 31. Debt impairment

|                                                                               |                    |                    |
|-------------------------------------------------------------------------------|--------------------|--------------------|
| Contributions to allowance for impairment: receivables (Consumers and Sundry) | 199 091 405        | 184 679 384        |
| Contributions to allowance for impairment: fines                              | -                  | 5 755 195          |
|                                                                               | <u>199 091 405</u> | <u>190 434 579</u> |

Contributions to allowance for impairment relate to impairment on receivables amounting to R213,319,822 (2015: R184,679,384) and impairment on traffic fines amounting to R5,755,195 (2015) in terms of IGRAP 1.

### 32. Bulk purchases

|             |                    |                    |
|-------------|--------------------|--------------------|
| Electricity | 84 027 040         | 75 328 473         |
| Water       | 127 664 370        | 108 819 136        |
|             | <u>211 691 410</u> | <u>184 147 609</u> |

### 33. Contracted services

|                     |                   |                   |
|---------------------|-------------------|-------------------|
| Operating leases    | 5 388 228         | 5 280 527         |
| Specialist services | 20 755 604        | 16 211 589        |
|                     | <u>26 143 832</u> | <u>21 492 116</u> |

Contracted services (specialist services) includes internal audit, repairs and maintenance, security and debtors collection services.

### 34. Write offs

#### Write offs consists of the following:

|                                                |                   |                   |
|------------------------------------------------|-------------------|-------------------|
| Property, plant and equipment                  | -                 | 1 161 079         |
| Projects under construction (with no movement) | -                 | 18 174 682        |
| PAD accounts                                   | -                 | 299 370           |
| Indigent write offs                            | 64 260 703        | 36 029 223        |
|                                                | <u>64 260 703</u> | <u>55 664 354</u> |

### 35. Impairment loss

|                                             |                   |                  |
|---------------------------------------------|-------------------|------------------|
| Impairment of property, plant and equipment | -                 | 1 130 156        |
| Consumer debtors Impairment loss            | 31 381 049        | 4 579 591        |
|                                             | <u>31 381 049</u> | <u>5 709 747</u> |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

### 36. General expenses

|                                           |                   |                   |
|-------------------------------------------|-------------------|-------------------|
| Advertising                               | 349 544           | 267 760           |
| Auditors remuneration                     | 4 416 005         | 5 912 302         |
| Bank charges                              | 236 583           | 310 503           |
| Commission paid                           | 195 765           | 337 861           |
| Consulting and professional fees          | 687 228           | 5 059 800         |
| Consumables                               | 600 725           | 902 987           |
| Discount allowed                          | 2 810             | 3 875 219         |
| Donations                                 | 8 195             | 17 632            |
| Entertainment                             | 343 283           | 424 231           |
| Fertilizer                                | 6 025             | 15 082            |
| Hire of equipment                         | -                 | 531 972           |
| Insurance                                 | 921 953           | 591 166           |
| Eskom small accounts                      | 17 825            | 20 455            |
| IT expenses                               | 316 160           | (309 790)         |
| Communication and publication             | 314 313           | 322 781           |
| Water research levy                       | 885 248           | 816 577           |
| Magazines, books and periodicals          | 29 155            | 213 707           |
| Motor vehicle expenses (licenses)         | 482 698           | 382 256           |
| Community development- other              | 64 043            | 226 499           |
| Fuel and oil                              | 1 541 600         | 1 410 416         |
| Postage and courier                       | 613 471           | 523 939           |
| Motor vehicle expenses (licenses)         | 1 225 841         | 1 142 037         |
| Software expenses                         | 2 286 748         | 2 874 280         |
| Third party expenses                      | 1 092 428         | 812 567           |
| Subscriptions and membership fees         | 1 555 940         | 2 921 709         |
| Promotion of town                         | 2 349 927         | 2 227 851         |
| Aarto infringements                       | 1 709 766         | -                 |
| Training                                  | 1 109 076         | 1 648 408         |
| Travel - local                            | 193 693           | 361 296           |
| Refuse                                    | 877               | 659 041           |
| Tools and equipment                       | 17 438            | 7 271             |
| Library DAC funding                       | 363 817           | 233 085           |
| Risk management fees                      | 12 325            | 40 992            |
| OHS wellness programme                    | 1 071 054         | 1 225 793         |
| Promotion of town                         | 6 463             | 166 629           |
| Community development HIV/ Aids           | 21 953            | 197 437           |
| Eskom small accounts                      | 988 767           | 990 877           |
| Chemicals                                 | 7 004             | 2 432             |
| Sports development                        | 354 325           | 149 647           |
| Public participation and other programmes | 1 152 736         | 779 580           |
| Other expenses                            | 2 359 893         | 4 438 455         |
|                                           | <b>29 912 700</b> | <b>42 732 742</b> |

### 37. Operating (deficit) surplus

Operating (deficit) surplus for the year is stated after accounting for the following:

|                                               |             |             |
|-----------------------------------------------|-------------|-------------|
| Gain on sale of property, plant and equipment | 906 092     | 4 077 015   |
| Impairment on property, plant and equipment   | 21 189 318  | 5 709 747   |
| Amortisation on intangible assets             | 101 435     | 123 464     |
| Depreciation on property, plant and equipment | 70 547 113  | 65 269 386  |
| Employee costs                                | 165 685 453 | 144 908 454 |

### 38. Fair value adjustments

|                                        |            |           |
|----------------------------------------|------------|-----------|
| Investment property (Fair value model) | 12 754 314 | 7 479 500 |
|----------------------------------------|------------|-----------|

### 39. Auditors remuneration

|      |           |           |
|------|-----------|-----------|
| Fees | 4 416 005 | 5 912 302 |
|------|-----------|-----------|

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

### 40. Cash generated from operations

|                                                        |                    |                   |
|--------------------------------------------------------|--------------------|-------------------|
| (Deficit) surplus                                      | (16 719 031)       | 42 450 866        |
| <b>Adjustments for:</b>                                |                    |                   |
| Depreciation and amortisation                          | 70 648 548         | 65 392 850        |
| Loss on sale of assets and liabilities                 | (906 092)          | (4 077 015)       |
| Actuarial (gains)/ losses                              | (8 172 075)        | (8 172 075)       |
| Fair value adjustments                                 | (12 949 194)       | (7 479 500)       |
| Public contributions and donations                     | 8 682 101          | (7 580 526)       |
| Impairment deficit                                     | 21 189 318         | 5 709 747         |
| Debt impairment                                        | 199 091 405        | 190 434 579       |
| Movements in retirement benefit assets and liabilities | 11 235 000         | 2 995 000         |
| Movements in provisions                                | (8 124 653)        | 5 123 190         |
| Write-offs                                             | 43 923 366         | 26 864 025        |
| Other non-cash item                                    | (376 835)          | (17 889 309)      |
| <b>Changes in working capital:</b>                     |                    |                   |
| Inventories                                            | (258 641)          | 65 004            |
| Other receivables from exchange transactions           | 402 155            | 2 103 934         |
| Trade receivables from exchange transactions           | (185 544 738)      | (204 640 932)     |
| Other receivables from non-exchange transactions       | 268 480            | 4 803 057         |
| Payables from exchange transactions                    | (26 000 615)       | (13 224 352)      |
| VAT                                                    | 4 240 974          | 3 683 625         |
| Unspent conditional grants and receipts                | 5 788 914          | (16 716 459)      |
| Consumer deposits                                      | 424 609            | 569 260           |
| Deferred Income                                        | -                  | (7 041)           |
|                                                        | <b>106 842 996</b> | <b>70 407 928</b> |

### 41. Commitments

#### Authorised capital expenditure

##### Already contracted for but not provided for

|                                 |                   |                  |
|---------------------------------|-------------------|------------------|
| • Property, plant and equipment | 11 569 596        | 1 648 152        |
| • Investment property           | -                 | 8 105 143        |
|                                 | <b>11 569 596</b> | <b>9 753 295</b> |

##### Total capital commitments

|                                             |            |           |
|---------------------------------------------|------------|-----------|
| Already contracted for but not provided for | 11 569 596 | 9 753 295 |
|---------------------------------------------|------------|-----------|

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

#### Operating leases - as lessee (expense)

##### Minimum lease payments due

|                                     |   |                  |
|-------------------------------------|---|------------------|
| - within one year                   | - | 3 496 798        |
| - in second to fifth year inclusive | - | 1 529 267        |
|                                     | - | <b>5 026 065</b> |

Operating lease payments represent rentals payable by the municipality for certain of its office equipment and vehicles. Leases are negotiated for an average term of five years and rentals varies based on the prime rate. No contingent rent is payable.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

### 42. Contingencies

#### 1) Otilian Carlos Timane vs Westonaria local municipality

Otilian Carlos Timane instituted a claim against Westonaria local municipality due to the reason that the claimant fell into an open manhole on the sidewalk and sustained injuries. The claimant alleged that the municipality was negligent in that it failed to take precautionary measures by not alerting pedestrians of the danger.

An amount of R250,000 plus interest of 15.5% per annum, is being claimed for bodily injury and loss of income.

#### 2) Westonaria Local Municipality vs IMATU o.b.o M M Ntholeng : Review Application.

An employee of the municipality, Mr M Ntholeng, was dismissed after being charged and found guilty at the disciplinary hearing of gross negligence and deliberate collusion, abuse and reckless use of municipal fuel cards. He took the matter to the SALGBC and was re-instated in the accordance with the abritration award.

The award of the Commissioner at the SALGBC was as follows :

- (a) The dismissal of the applicant is hereby held to be procedurally and substantively unfair
- (b) That the applicant be and is hereby re-instated from the date of dismissal with no loss of benefits to the position he held immediately prior to his dismissal.
- (c) The responded is hereby ordered to pay the applicant his outstanding salary from the 18th September 2014 which shall not be less than R 240 000
- (d) The respondent is hereby ordered to pay the cost of the Abitration.

As the employer was of the opinion that the Commissioner had unduly interfered in the matter, The amount set above was not paid pending the outcome of the review application and will have to be paid if the application is unsuccessful.

### 43. Related parties

#### Relationships

Accounting Officer

Members of key management

Mayor

Speaker

Members of the Mayoral committee

Refer to accounting officer's report note

N. Tundzi

S. Monoane

T.A Ncube

G. Khoza

A. Gela

A. Ntshiba

M. Mkhumbuzi

T.C. Ndlovu

V.B. Mkhafa

T. Morolo

M. Lerata

M. Machaba

Municipal Manager

Chief Financial Officer

Executive Manager: Community Service

Acting Executive Manager: Corporate Service

Executive Manager: Infrastructure Service

Mayor, Speaker, Members of Mayoral committee and section 56 employees are related parties and have declared in writing that they have no contracts or interests in contracts with the municipality. Details are disclosed in note 29 and 30.

### 44. Prior period errors

The following balances were corrected and restated as prior period error:

**Investment Property** :Restating opening balance due to stands which were omitted and those which were included in the Investment Register while owned by private owners,the error has been corrected accordingly affecting the Accumulated surplus Account with the net amount of R 1,622,388.

**Provisions** : Restating opening balance for current provisions due to the court case the municipality had with Quill and associates the error has been corrected accordingly affecting the Accumulated surplus Account with the amount of R 5,750,000

**Repairs and maintenance & General Expenses** : A Reclassification of Disaster recovery expenditure which was incorrectly classified as Repairs and Maintenance, the error has been subsequently corrected.

**Employee related cost and Remuneration of Councillors** : A Reclassification of Councillors remuneration which was incorrectly classied as normal employee related cost, the error has been subsequently corrected.

**Trade receivables from exchange transactions** : Correcting prior year impairment of trade receivables which was understated by R 14 228 416.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

### 44. Prior period errors (continued)

| Statement of financial position for the year ended June 2015 | Balance per Audited AFS | Prior period errors | Reclassification | Restated balance |
|--------------------------------------------------------------|-------------------------|---------------------|------------------|------------------|
| Trade and other receivables from exchange transactions       | 52 588 630              | (14 228 416)        | -                | 38 360 214       |
| Trade and other receivables from non exchange transactions   | 20 930 218              | -                   | -                | 20 930 218       |
| Other receivables from exchange transactions                 | 821 886                 | -                   | -                | 821 886          |
| Other receivables from non exchange transactions             | 1 776 415               | -                   | -                | 1 776 415        |
| VAT payable                                                  | (6 191 662)             | -                   | -                | (6 191 662)      |
| Cash and cash equivalents                                    | 5 678 571               | -                   | -                | 5 678 571        |
| Inventories                                                  | 1 100 412               | -                   | -                | 1 100 412        |
| Property, plant and equipment                                | 1 239 976 902           | -                   | -                | 1 239 976 902    |
| Work-in-progress                                             | 63 548 445              | -                   | -                | 63 548 445       |
| Investment property                                          | 101 822 886             | 1 622 388           | -                | 103 445 274      |
| Intangible assets                                            | 1 738 120               | -                   | -                | 1 738 120        |
| Trade and other payables from exchange transactions          | (120 522 720)           | -                   | -                | (120 522 720)    |
| Provisions                                                   | (8 945 442)             | (5 750 000)         | -                | (14 695 442)     |
| Employee benefit obligations                                 | (2 067 925)             | -                   | -                | (2 067 925)      |
| Bank overdraft                                               | (6 534 376)             | -                   | -                | (6 534 376)      |
| Consumer deposits                                            | (3 084 107)             | -                   | -                | (3 084 107)      |
| Deferred Income                                              | (284 533)               | -                   | -                | (284 533)        |
| Long-term loans                                              | (5 410 839)             | -                   | -                | (5 410 839)      |
| Provisions                                                   | (44 914 833)            | -                   | -                | (44 914 833)     |
| Employee benefit obligations                                 | (87 836 075)            | -                   | -                | (87 836 075)     |
| Long term loans                                              | (7 308 499)             | -                   | -                | (7 308 499)      |
| Accumulated surplus                                          | (1 196 881 474)         | 4 127 612           | -                | (1 192 753 862)  |
|                                                              | -                       | (14 228 416)        | -                | (14 228 416)     |

| Statement of financial performance for the year ended June 2015 | Balance per Audited AFS | Prior period errors | Reclassification | Restated balance |
|-----------------------------------------------------------------|-------------------------|---------------------|------------------|------------------|
| Service charges                                                 | (270 090 820)           | -                   | -                | (270 090 820)    |
| Fees earned                                                     | (357 131)               | -                   | -                | (357 131)        |
| Other income                                                    | (2 289 171)             | -                   | -                | (2 289 171)      |
| Fines                                                           | (2 877 143)             | -                   | -                | (2 877 143)      |
| Rental of facilities and equipment                              | (955 213)               | -                   | -                | (955 213)        |
| Income from agency services                                     | (6 476 319)             | -                   | -                | (6 476 319)      |
| License and permits                                             | (29 022)                | -                   | -                | (29 022)         |
| Public contributions and donations                              | (8 087 527)             | -                   | -                | (8 087 527)      |
| Interest on investments                                         | (1 539 451)             | -                   | -                | (1 539 451)      |
| Property rates                                                  | (265 311 461)           | -                   | -                | (265 311 461)    |
| Government grants & subsidies                                   | (200 648 170)           | -                   | -                | (200 648 170)    |
| Employee related costs                                          | 134 184 656             | -                   | (1 129 213)      | 133 055 443      |
| Remuneration of councilors                                      | 10 723 798              | -                   | 1 129 213        | 11 853 011       |
| Depreciation and amortisation                                   | 65 392 850              | -                   | -                | 65 392 850       |
| Impairment loss                                                 | 5 709 747               | -                   | -                | 5 709 747        |
| Debt impairment                                                 | 190 434 579             | -                   | -                | 190 434 579      |
| Finance costs                                                   | 10 827 709              | -                   | -                | 10 827 709       |
| Collection costs                                                | 35 120                  | -                   | -                | 35 120           |
| Repairs and maintenance                                         | 5 329 013               | -                   | 309 790          | 5 638 803        |
| Bulk purchases                                                  | 184 147 609             | -                   | -                | 184 147 609      |
| Contracted services                                             | 21 492 116              | -                   | -                | 21 492 116       |
| Interest cost                                                   | 8 955 069               | -                   | -                | 8 955 069        |
| General expenses                                                | 43 042 534              | -                   | (309 790)        | 42 732 744       |
| Write offs                                                      | 55 664 354              | -                   | -                | 55 664 354       |
| Actuarial losses                                                | 12 249 090              | -                   | -                | 12 249 090       |
| Fair value adjustment                                           | 7 479 500               | -                   | -                | 7 479 500        |
|                                                                 | (2 993 684)             | -                   | -                | (2 993 684)      |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

### 44. Prior period errors (continued)

| Statement of cash flow for the year ended June 2015 | Audited AFS       | Prior period error | Reclassification | Restated balance  |
|-----------------------------------------------------|-------------------|--------------------|------------------|-------------------|
| <b>Cash from operating activities</b>               |                   |                    |                  |                   |
| Sale of goods and services                          | 353 788 588       | -                  | -                | 353 788 588       |
| Grants                                              | 183 131 650       | -                  | -                | 183 131 650       |
| Interest income                                     | 1 539 451         | -                  | -                | 1 539 451         |
| Public contributions and donations                  | 1 307 000         | -                  | -                | 1 307 000         |
| Other receipts                                      | 2 858 432         | -                  | -                | 2 858 432         |
| Employee costs                                      | (141 941 566)     | -                  | -                | (141 941 566)     |
| Suppliers                                           | (319 440 879)     | -                  | -                | (319 440 879)     |
| Finance costs                                       | (10 827 709)      | -                  | -                | (10 827 709)      |
|                                                     | <b>70 414 967</b> | <b>-</b>           | <b>-</b>         | <b>70 414 967</b> |

### 45. Risk management

#### Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

### 46. Going concern

The unaudited annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Based on the ruling of the demarcation board, Westonaria Local Municipality and Randfontein Local Municipality merged to form Rand West City Local Municipality effective 3 August 2016.

In terms of this, Rand West City Local Municipality becomes the successor in law to both the Westonaria Local Municipality and Randfontein Local Municipality.

All assets and liabilities of Westonaria Local Municipality and Randfontein Local Municipality will transfer to Rand West City Local Municipality.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

### 47. Unauthorised expenditure

|                          |                    |                    |
|--------------------------|--------------------|--------------------|
| Unauthorised expenditure | 2 173 467          | -                  |
| Planning and Development | 265 108            | -                  |
| Public safety            | -                  | 5 575 228          |
| Other 1                  | 9 018 934          | -                  |
| Budget and treasury      | 187 676 249        | 268 398 559        |
| Housing                  | -                  | 36 951             |
| Health                   | 11 113             | 431 468            |
| Other 2                  | 20 912 827         | -                  |
| Electricity              | 27 001 870         | -                  |
| Waste management         | 7 705 888          | 4 411 090          |
|                          | <b>254 765 456</b> | <b>278 853 296</b> |

The above unauthorised expenditure within the votes is as a result of year-end accounting transactions not budgeted for. This unauthorised expenditure will be tabled in a special adjustment budget when the annual report is tabled in accordance with section 23(6) of the Budget and Reporting Regulations.

### 48. Fruitless and wasteful expenditure

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Eskom                 | 2 941 586        | 8 298 807        |
| Eskom small accounts  | 4 901            | 2 351            |
| Rand water            | 243 708          | 31 065           |
| Telkom                | 42 271           | 32 457           |
| Auditor General       | 95 492           | 18 994           |
| Acc Quil Associate    | 1 071 092        | -                |
| Workmans Compensation | 244 650          | -                |
|                       | <b>4 643 700</b> | <b>8 383 674</b> |

Fruitless and wasteful regarding interest paid relates to interest charged by Eskom on the late settlement of the monthly Eskom accounts. Due to cash flow constraints the municipality was unable to settle the Eskom accounts timeously and as a result Eskom charged the municipality interest at a rate of 15% on arrear accounts. Other fruitless and wasteful expenditure relates to interest incurred due to late payments.

### 49. Irregular expenditure

|                                                 |              |                   |
|-------------------------------------------------|--------------|-------------------|
| Opening balance                                 | 68 068 518   | 52 196 924        |
| Non-Compliance with sec 116 of MFMA             | -            | 1 114 856         |
| Non-Compliance with sec 16 SCM Regulation       | -            | 23 788            |
| Non-Compliance with sec 18 SCM Regulation       | -            | 269 573           |
| Non-Compliance with sec 19 SCM Regulation)      | -            | 13 787 415        |
| Non-Compliance with sec 28 SCM Regulation       | -            | 314 147           |
| Non-Compliance with sec 32 SCM Regulation       | -            | 210 000           |
| Non-Compliance with sec 5 PPPFMA Regulation     | -            | 96 815            |
| Non-Compliance with sec 10(2) PPPFMA Regulation | -            | 55 000            |
| less : amount written off                       | (68 068 518) | -                 |
|                                                 | <b>-</b>     | <b>68 068 518</b> |

### 50. Additional disclosure in terms of Municipal Finance Management Act

#### Contributions to organised local government (SALGA)

|                                 |             |             |
|---------------------------------|-------------|-------------|
| Current year subscription / fee | 1 597 545   | 2 921 709   |
| Amount paid - current year      | (1 597 545) | (2 921 709) |
|                                 | <b>-</b>    | <b>-</b>    |



# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

### 50. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Audit fees

|                              |                  |                  |
|------------------------------|------------------|------------------|
| Opening balance              | 4 578 667        | 2 747 170        |
| Amount paid - current year   | 7 750 689        | 4 578 667        |
| Amount paid - previous years | (4 578 667)      | (2 747 170)      |
|                              | <u>7 750 689</u> | <u>4 578 667</u> |

#### PAYE and UIF

|                              |                   |                   |
|------------------------------|-------------------|-------------------|
| Opening balance              | 16 049 998        | 13 945 700        |
| Amount paid - current year   | 19 169 143        | 16 049 998        |
| Amount paid - previous years | (16 049 998)      | (13 945 700)      |
|                              | <u>19 169 143</u> | <u>16 049 998</u> |

#### Pension and medical aid deductions

|                              |                   |                   |
|------------------------------|-------------------|-------------------|
| Opening balance              | 36 892 773        | 34 177 512        |
| Amount paid - current year   | 37 322 850        | 36 892 773        |
| Amount paid - previous years | (36 892 773)      | (34 177 512)      |
|                              | <u>37 322 850</u> | <u>36 892 773</u> |

#### VAT

|             |                   |                  |
|-------------|-------------------|------------------|
| VAT payable | <u>10 432 636</u> | <u>6 191 662</u> |
|-------------|-------------------|------------------|

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

### 50. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2016:

| 30 June 2016            | Outstanding<br>less than 90<br>days<br>R | Outstanding<br>more than 90<br>days<br>R | Total<br>R    |
|-------------------------|------------------------------------------|------------------------------------------|---------------|
| Councillor P Dager      | 1 221                                    | -                                        | 1 221         |
| Councillor N Dyase      | 338                                      | -                                        | 338           |
| Councillor E Molatlhwa  | 2 274                                    | -                                        | 2 274         |
| Councillor D Mampe      | 1 684                                    | -                                        | 1 684         |
| Councillor I Meraba     | 8 876                                    | 6 692                                    | 15 568        |
| Councillor G Khoza      | 1 038                                    | -                                        | 1 038         |
| Councillor S Monoane    | (818)                                    | -                                        | (818)         |
| Councillor A Gela       | 1 846                                    | -                                        | 1 846         |
| Councillor A Ntshiba    | (534)                                    | -                                        | (534)         |
| Councillor A Mncube     | 72                                       | -                                        | 72            |
| Councillor Tundzi-Hawu  | 2 254                                    | 272                                      | 2 526         |
| Councillor C Seitheisho | 13 159                                   | 868                                      | 14 027        |
| Councillor M Van Graan  | (220)                                    | -                                        | (220)         |
| Councillor D Ndzapho    | 3 021                                    | -                                        | 3 021         |
| Councillor J Letlhake   | 478                                      | -                                        | 478           |
| Councillor C Turner     | (47)                                     | -                                        | (47)          |
| Councillor N S Kolo     | 17 068                                   | -                                        | 17 068        |
|                         | <b>51 710</b>                            | <b>7 832</b>                             | <b>59 542</b> |

| 30 June 2015            | Outstanding<br>less than 90<br>days<br>R | Outstanding<br>more than 90<br>days<br>R | Total<br>R    |
|-------------------------|------------------------------------------|------------------------------------------|---------------|
| Councillor M Ngamtswini | 669                                      | -                                        | 669           |
| Councillor E Molatlhwa  | 548                                      | 236                                      | 784           |
| Councillor D Mampe      | 645                                      | 303                                      | 948           |
| Councillor I Meraba     | 963                                      | 7 434                                    | 8 397         |
| Councillor G Khoza      | 680                                      | -                                        | 680           |
| Councillor S Monoane    | 691                                      | -                                        | 691           |
| Councillor A Ntshiba    | 817                                      | -                                        | 817           |
| Councillor A Mncube     | 144                                      | 144                                      | 288           |
| Councillor Tundzi-Hawu  | 1 058                                    | -                                        | 1 058         |
| Councillor C Seitheisho | 1 399                                    | 4 194                                    | 5 593         |
| Councillor D Ndzapho    | 1 050                                    | -                                        | 1 050         |
|                         | <b>8 664</b>                             | <b>12 311</b>                            | <b>20 975</b> |

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

| 30 June 2016            | Highest<br>outstanding<br>amount | Aging<br>(in days) |
|-------------------------|----------------------------------|--------------------|
| Councillor E Molatlhwa  | 515                              | 120                |
| Councillor I Meraba     | 6 692                            | 120                |
| Councillor Tundzi-Hawu  | 272                              | 120                |
| Councillor C Seitheisho | 868                              | 120                |
| Councillor E            | -                                | 680                |
| Councillor F            | -                                | 691                |
| Councillor G            | -                                | 295                |
| Councillor H            | -                                | 72                 |
| Councillor I            | -                                | 3 503              |
| Councillor J            | -                                | 348                |
|                         | <b>8 347</b>                     | <b>6 069</b>       |

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

### 50. Additional disclosure in terms of Municipal Finance Management Act (continued)

30 June 2015

|                         | Highest<br>outstanding<br>amount | Aging<br>(in days) |
|-------------------------|----------------------------------|--------------------|
| Councillor M Ngamtwini  | 664                              | 30                 |
| Councillor E Molatlhwa  | 236                              | 90                 |
| Councillor D Mampe      | 303                              | 90                 |
| Councillor I Meraba     | 6 986                            | 120                |
| Councillor G Khoza      | 680                              | 30                 |
| Councillor S Monoane    | 691                              | 30                 |
| Councillor A Ntshiba    | 295                              | 60                 |
| Councillor A Mncube     | 72                               | 120                |
| Councillor C Seitheisho | 3 503                            | 120                |
| Councillor D Ndzipho    | 348                              | 30                 |
|                         | <b>13 778</b>                    | <b>720</b>         |

### 51. Utilisation of long-term liabilities reconciliation

|                                               |             |                |
|-----------------------------------------------|-------------|----------------|
| Long-term liabilities raised                  | 7 240 214   | 12 719 338     |
| Used to finance property, plant and equipment | (7 240 214) | (12 720 746)   |
|                                               | <b>-</b>    | <b>(1 408)</b> |

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

### 52. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the unaudited annual financial statements.

The municipality deviated in terms of the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations. Refer to **Annexure H** for more details

|  |                  |                  |
|--|------------------|------------------|
|  | <b>6 395 975</b> | <b>2 186 813</b> |
|--|------------------|------------------|

### 53. Distribution losses

|                                              |                   |                   |
|----------------------------------------------|-------------------|-------------------|
| Electricity losses 29% (2015:29%) Kilo watts | 28 655 037        | 29 861 035        |
| Water losses 19% (2015:19%) Kilo litres      | 1 338 631         | 1 208 543         |
|                                              | <b>29 993 668</b> | <b>31 069 578</b> |

The summary of electricity losses for the year is 29% made up of purchases of 99,117,436 kilo watts and sales of 70,462,399 kilo watts, resulting in a loss of 28,655,037 kilo watts. The summary of water losses for the year is 19% made up of purchases of 6,907,611 kilo litres and sales of 5,568,980 kilo litres resulting in a loss of 1,338,631 kilo litres.

# Westonaria Local Municipality

Unaudited Annual Financial Statements for the year ended 30 June 2016

## Notes to the Unaudited Annual Financial Statements

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### 54. Change in accounting estimate

A review of immovable assets policy was performed during the year and the useful life has being re-assed and adjusted. A change in the estimated useful life of immovable assets has resulted in the following change in depreciation for the year:

The effect of the change is indicated in the summary below:

| Property, plant and equipment | Depreciation-<br>before | Depreciation-<br>after | Change           |
|-------------------------------|-------------------------|------------------------|------------------|
| Land and building             | (1 199 594)             | 1 346 932              | 147 338          |
| Housing (incl. land)          | (17 232)                | 11 296                 | (5 936)          |
| Community (incl. land)        | (1 958 516)             | 2 350 473              | 391 957          |
| Electricity network           | (192 579)               | 182 115                | (10 464)         |
| Sanitation network            | (1 880 283)             | 1 702 122              | (178 161)        |
| Water network                 | (765 764)               | 2 724 110              | 1 958 346        |
| Roads and stormwater network  | (1 199 613)             | 1 601 652              | 402 039          |
|                               | <b>(7 213 581)</b>      | <b>9 918 700</b>       | <b>2 705 119</b> |

### 55. Events after the reporting date

The Accounting Officer is not aware of any matter or circumstance arising since the end of the Financial year to date of authorisation of these Financial Statements.

Westonaria Local Municipality merged with Randfontein Local Municipality on the 03 August 2016 to form Randwest City Local Municipality.

### 56. Budget differences

#### Material differences between budget and actual amounts

The excess of actual expenditure over the final budget of 308% for budget and treasury office was due to impairment of property rates which were billed to various mines in 2014/2015 financial period (refer to note 43 on contingencies). There were also non-cash interest cost on define benefit plan and landfill site rehabilitation which was not budgeted for.

The excess of actual expenditure over the final budget of 193% for electricity section was due to interest on late payments on long outstanding Eskom account. Arrangement has been made with Eskom to settle the long outstanding amount. The municipality is also experiencing huge electricity losses hence actual expenditure exceeding final budget with 102% (refer to note 56 on distribution losses)

There was operational expenditure incurred on previously unspent government grants and it was not budgeted for.

There were no other material differences between the final budget and the actual amounts.

### 57. Assets subject to restrictions

Assets that have been recognised, but which are subject to restrictions, the amount of restriction are as follows:

### 58. Decommissioning, restoration and environmental rehabilitation funds

The municipality is a contributor to the following fund(s): Fund 1 and Fund 2.

**Westonaria Local Municipality**  
**Appendix A**

**Schedule of external loans as at 30 June 2014**

| Loan Number                             | Redeemable | Balance at<br>30 June<br>2015 | Received<br>during the<br>period | Redeemed<br>written off<br>during the<br>period | Balance at<br>30 June<br>2016 | Carrying<br>Value of<br>Property,<br>Plant &<br>Equip<br>Rand | Other Costs<br>in<br>accordance<br>with the<br>MFMA<br>Rand |
|-----------------------------------------|------------|-------------------------------|----------------------------------|-------------------------------------------------|-------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|
|                                         |            | Rand                          | Rand                             | Rand                                            | Rand                          |                                                               |                                                             |
| <b>Loan Stock</b>                       |            |                               |                                  |                                                 |                               |                                                               |                                                             |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
| <b>Structured loans</b>                 |            |                               |                                  |                                                 |                               |                                                               |                                                             |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
| <b>Funding facility</b>                 |            |                               |                                  |                                                 |                               |                                                               |                                                             |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
| <b>Development Bank of South Africa</b> |            |                               |                                  |                                                 |                               |                                                               |                                                             |
| DBSA @ 8.5%                             | 10506/102  | 30/06/2017                    | 1 837 461                        | -                                               | 671 589                       | 1 165 872                                                     | -                                                           |
|                                         |            |                               | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            |                               | -                                | -                                               | -                             | -                                                             | -                                                           |
|                                         |            |                               | -                                | -                                               | -                             | -                                                             | -                                                           |

**Westonaria Local Municipality**  
**Appendix A**

**Schedule of external loans as at 30 June 2014**

| Loan Number                | Redeemable   |            | Balance at<br>30 June<br>2015 | Received<br>during the<br>period | Redeemed<br>written off<br>during the<br>period | Balance at<br>30 June<br>2016 | Carrying<br>Value of<br>Property,<br>Plant &<br>Equip<br>Rand | Other Costs<br>in<br>accordance<br>with the<br>MFMA<br>Rand |
|----------------------------|--------------|------------|-------------------------------|----------------------------------|-------------------------------------------------|-------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|
|                            |              |            | Rand                          | Rand                             | Rand                                            | Rand                          |                                                               |                                                             |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | <b>1 837 461</b>              | -                                | <b>671 589</b>                                  | <b>1 165 872</b>              | -                                                             | -                                                           |
| <b>Bonds</b>               |              |            |                               |                                  |                                                 |                               |                                                               |                                                             |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
| <b>Other loans</b>         |              |            |                               |                                  |                                                 |                               |                                                               |                                                             |
| Standard bank @ 9.85%      | STD BANK     | 01/09/2017 | 10 264 660                    | -                                | 2 657 606                                       | 7 607 054                     | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | <b>10 264 660</b>             | -                                | <b>2 657 606</b>                                | <b>7 607 054</b>              | -                                                             | -                                                           |
| <b>Lease liability</b>     |              |            |                               |                                  |                                                 |                               |                                                               |                                                             |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
|                            |              |            | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
| <b>Annuity loans</b>       |              |            |                               |                                  |                                                 |                               |                                                               |                                                             |
| INCA West 01-0004 @ 13.27% | West 01-0004 | 30/06/2014 | -                             | -                                | -                                               | -                             | -                                                             | -                                                           |
| INCA West 01-0005 @ 10.61% | West 01-0005 | 31/12/2015 | 668 651                       | -                                | 402 538                                         | 266 113                       | -                                                             | -                                                           |

**Westonaria Local Municipality**  
**Appendix A**

**Schedule of external loans as at 30 June 2014**

| Loan Number                      | Redeemable              | Balance at 30 June 2015 | Received during the period | Redeemed written off during the period | Balance at 30 June 2016 | Carrying Value of Property, Plant & Equip Rand | Other Costs in accordance with the MFMA Rand |
|----------------------------------|-------------------------|-------------------------|----------------------------|----------------------------------------|-------------------------|------------------------------------------------|----------------------------------------------|
|                                  |                         | Rand                    | Rand                       | Rand                                   | Rand                    |                                                |                                              |
| INCA West 01-0008 @11.11%        | West 01-0008 30/06/2017 | 1 246 451               | -                          | 403 169                                | 843 282                 | -                                              | -                                            |
| INCA West 01-0009 @ 13.36%       | West 01-0009 30/06/2018 | 2 994 796               | -                          | 610 478                                | 2 384 318               | -                                              | -                                            |
| INCA West 01-0011 @ 13.79%       | West 01-0011 30/08/2015 | 2 116 070               | -                          | 1 663 372                              | 452 698                 | -                                              | -                                            |
|                                  |                         | <b>7 025 968</b>        | <b>-</b>                   | <b>3 079 557</b>                       | <b>3 946 411</b>        | <b>-</b>                                       | <b>-</b>                                     |
| <b>Government loans</b>          |                         |                         |                            |                                        |                         |                                                |                                              |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
| <b>Total external loans</b>      |                         |                         |                            |                                        |                         |                                                |                                              |
| Loan Stock                       |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
| Structured loans                 |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
| Funding facility                 |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
| Development Bank of South Africa |                         | 1 837 461               | -                          | 671 589                                | 1 165 872               | -                                              | -                                            |
| Bonds                            |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
| Other loans                      |                         | 10 264 660              | -                          | 2 657 606                              | 7 607 054               | -                                              | -                                            |
| Lease liability                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
| Annuity loans                    |                         | 7 025 968               | -                          | 3 079 557                              | 3 946 411               | -                                              | -                                            |
| Government loans                 |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | -                       | -                          | -                                      | -                       | -                                              | -                                            |
|                                  |                         | <b>19 128 089</b>       | <b>-</b>                   | <b>6 408 752</b>                       | <b>12 719 337</b>       | <b>-</b>                                       | <b>-</b>                                     |

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2012

| Cost/Revaluation        |                   |                   |                   |                      |                                     |                            | Accumulated depreciation   |                   |                   |                      |                         |                            |                           |
|-------------------------|-------------------|-------------------|-------------------|----------------------|-------------------------------------|----------------------------|----------------------------|-------------------|-------------------|----------------------|-------------------------|----------------------------|---------------------------|
| Opening Balance<br>Rand | Additions<br>Rand | Disposals<br>Rand | Transfers<br>Rand | Revaluations<br>Rand | Other changes,<br>movements<br>Rand | Closing<br>Balance<br>Rand | Opening<br>Balance<br>Rand | Disposals<br>Rand | Transfers<br>Rand | Depreciation<br>Rand | Impairment loss<br>Rand | Closing<br>Balance<br>Rand | Carrying<br>value<br>Rand |

#### Land and buildings

|                                            |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Land (Separate for AFS purposes)           | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Landfill Sites (Separate for AFS purposes) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Quarries (Separate for AFS purposes)       | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Buildings (Separate for AFS purposes)      | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                                            | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Infrastructure

|                                                                    |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Roads, Pavements & Bridges                                         | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Storm water                                                        | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Generation                                                         | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transmission & Reticulation                                        | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Street lighting                                                    | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dams & Reservoirs                                                  | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Water purification                                                 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Reticulation                                                       | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sewerage purification                                              | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Housing                                                            | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste Management                                                   | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gas                                                                | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other (fibre optic, WIFI infrastructure)                           | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other 1                                                            | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                                                                    | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Community Assets

|                          |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Parks & gardens          | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sportsfields and stadium | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Swimming pools           | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community halls          | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Libraries                | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Recreational facilities  | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Clinics                  | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Museums & art galleries  | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other                    | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Social rental housing    | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cemeteries               | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fire, safety & emergency | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Security and policing    | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Buses                    | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                          | - | - | - | - | - | - | - | - | - | - | - | - | - |



## Appendix B

### Analysis of property, plant and equipment as at 30 June 2012

| Cost/Revaluation        |                   |                   |                   |                      |                                  |                         | Accumulated depreciation |                   |                   |                      |                         |                         |                        |
|-------------------------|-------------------|-------------------|-------------------|----------------------|----------------------------------|-------------------------|--------------------------|-------------------|-------------------|----------------------|-------------------------|-------------------------|------------------------|
| Opening Balance<br>Rand | Additions<br>Rand | Disposals<br>Rand | Transfers<br>Rand | Revaluations<br>Rand | Other changes, movements<br>Rand | Closing Balance<br>Rand | Opening Balance<br>Rand  | Disposals<br>Rand | Transfers<br>Rand | Depreciation<br>Rand | Impairment loss<br>Rand | Closing Balance<br>Rand | Carrying value<br>Rand |

#### Heritage assets

|           |   |   |   |   |   |   |   |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Buildings | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other     | - | - | - | - | - | - | - | - | - | - | - | - | - |
|           | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Specialised vehicles

|             |   |   |   |   |   |   |   |   |   |   |   |   |   |
|-------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Refuse      | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fire        | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Conservancy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ambulances  | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Buses       | - | - | - | - | - | - | - | - | - | - | - | - | - |
|             | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Other assets

|                                                |   |   |   |   |   |   |   |   |   |   |   |   |   |
|------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| General vehicles                               | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Plant & equipment                              | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Computer Equipment                             | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Computer Software (part of computer equipment) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Furniture & Fittings                           | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Office Equipment                               | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Office Equipment - Leased                      | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Abattoirs                                      | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Markets                                        | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Airports                                       | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Security measures                              | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Civic land and buildings                       | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other buildings                                | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other land                                     | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Bins and Containers                            | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Work in progress                               | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other                                          | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Assets - Leased                          | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus Assets - (Investment or Inventory)     | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Housing development                            | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other                                          | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                                                | - | - | - | - | - | - | - | - | - | - | - | - | - |

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2012

| Cost/Revaluation        |                   |                   |                   |                      |                                     |                            | Accumulated depreciation |                   |                   |                      |                         |                            |                           |
|-------------------------|-------------------|-------------------|-------------------|----------------------|-------------------------------------|----------------------------|--------------------------|-------------------|-------------------|----------------------|-------------------------|----------------------------|---------------------------|
| Opening Balance<br>Rand | Additions<br>Rand | Disposals<br>Rand | Transfers<br>Rand | Revaluations<br>Rand | Other changes,<br>movements<br>Rand | Closing<br>Balance<br>Rand | Opening Balance<br>Rand  | Disposals<br>Rand | Transfers<br>Rand | Depreciation<br>Rand | Impairment loss<br>Rand | Closing<br>Balance<br>Rand | Carrying<br>value<br>Rand |

#### Total property plant and equipment

|                      |   |   |   |   |   |   |   |   |   |   |   |   |   |
|----------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Land and buildings   | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure       | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community Assets     | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Heritage assets      | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Specialised vehicles | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other assets         | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                      | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Agricultural/Biological assets

|                   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|-------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Agricultural      | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                   | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Intangible assets

|                                    |   |   |   |   |   |   |   |   |   |   |   |   |   |
|------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Computers - software & programming | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other                              | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                                    | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Investment properties

|                     |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Investment property | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                     | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Total

|                                |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Land and buildings             | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure                 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community Assets               | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Heritage assets                | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Specialised vehicles           | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other assets                   | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Agricultural/Biological assets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Intangible assets              | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties          | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                                | - | - | - | - | - | - | - | - | - | - | - | - | - |

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2011

| Cost/Revaluation        |                   |                   |                   |                      |                                     |                            | Accumulated depreciation |                   |                   |                      |                         |                            |                           |
|-------------------------|-------------------|-------------------|-------------------|----------------------|-------------------------------------|----------------------------|--------------------------|-------------------|-------------------|----------------------|-------------------------|----------------------------|---------------------------|
| Opening Balance<br>Rand | Additions<br>Rand | Disposals<br>Rand | Transfers<br>Rand | Revaluations<br>Rand | Other changes,<br>movements<br>Rand | Closing<br>Balance<br>Rand | Opening Balance<br>Rand  | Disposals<br>Rand | Transfers<br>Rand | Depreciation<br>Rand | Impairment loss<br>Rand | Closing<br>Balance<br>Rand | Carrying<br>value<br>Rand |

#### Land and buildings

|                                            |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Land (Separate for AFS purposes)           | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Landfill Sites (Separate for AFS purposes) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Quarries (Separate for AFS purposes)       | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Buildings (Separate for AFS purposes)      | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                                            | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Infrastructure

|                                                                    |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Roads, Pavements & Bridges                                         | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Storm water                                                        | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Generation                                                         | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transmission & Reticulation                                        | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Street lighting                                                    | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Dams & Reservoirs                                                  | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Water purification                                                 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Reticulation                                                       | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sewerage purification                                              | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Housing                                                            | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Waste Management                                                   | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Gas                                                                | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other (fibre optic, WIFI infrastructure)                           | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other 1                                                            | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                                                                    | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Community Assets

|                          |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Parks & gardens          | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sportsfields and stadium | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Swimming pools           | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community halls          | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Libraries                | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Recreational facilities  | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Clinics                  | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Museums & art galleries  | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other                    | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Social rental housing    | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cemeteries               | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fire, safety & emergency | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Security and policing    | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Buses                    | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                          | - | - | - | - | - | - | - | - | - | - | - | - | - |

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2011

| Cost/Revaluation        |                   |                   |                   |                      |                                  |                         | Accumulated depreciation |                   |                   |                      |                         |                         |                        |
|-------------------------|-------------------|-------------------|-------------------|----------------------|----------------------------------|-------------------------|--------------------------|-------------------|-------------------|----------------------|-------------------------|-------------------------|------------------------|
| Opening Balance<br>Rand | Additions<br>Rand | Disposals<br>Rand | Transfers<br>Rand | Revaluations<br>Rand | Other changes, movements<br>Rand | Closing Balance<br>Rand | Opening Balance<br>Rand  | Disposals<br>Rand | Transfers<br>Rand | Depreciation<br>Rand | Impairment loss<br>Rand | Closing Balance<br>Rand | Carrying value<br>Rand |

#### Heritage assets

|           |   |   |   |   |   |   |   |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Buildings | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other     | - | - | - | - | - | - | - | - | - | - | - | - | - |
|           | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Specialised vehicles

|             |   |   |   |   |   |   |   |   |   |   |   |   |   |
|-------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Refuse      | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fire        | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Conservancy | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Ambulances  | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Buses       | - | - | - | - | - | - | - | - | - | - | - | - | - |
|             | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Other assets

|                                                |   |   |   |   |   |   |   |   |   |   |   |   |   |
|------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| General vehicles                               | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Plant & equipment                              | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Computer Equipment                             | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Computer Software (part of computer equipment) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Furniture & Fittings                           | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Office Equipment                               | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Office Equipment - Leased                      | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Abattoirs                                      | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Markets                                        | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Airports                                       | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Security measures                              | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Civic land and buildings                       | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other buildings                                | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other land                                     | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Bins and Containers                            | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Work in progress                               | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other                                          | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Assets - Leased                          | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Surplus Assets - (Investment or Inventory)     | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Housing development                            | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other                                          | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                                                | - | - | - | - | - | - | - | - | - | - | - | - | - |

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2011

| Cost/Revaluation        |                   |                   |                   |                      |                                     |                            | Accumulated depreciation |                   |                   |                      |                         |                            |                           |
|-------------------------|-------------------|-------------------|-------------------|----------------------|-------------------------------------|----------------------------|--------------------------|-------------------|-------------------|----------------------|-------------------------|----------------------------|---------------------------|
| Opening Balance<br>Rand | Additions<br>Rand | Disposals<br>Rand | Transfers<br>Rand | Revaluations<br>Rand | Other changes,<br>movements<br>Rand | Closing<br>Balance<br>Rand | Opening Balance<br>Rand  | Disposals<br>Rand | Transfers<br>Rand | Depreciation<br>Rand | Impairment loss<br>Rand | Closing<br>Balance<br>Rand | Carrying<br>value<br>Rand |

#### Total property plant and equipment

|                      |   |   |   |   |   |   |   |   |   |   |   |   |   |
|----------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Land and buildings   | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure       | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community Assets     | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Heritage assets      | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Specialised vehicles | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other assets         | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                      | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Agricultural/Biological assets

|                   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|-------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Agricultural      | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                   | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Intangible assets

|                                    |   |   |   |   |   |   |   |   |   |   |   |   |   |
|------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Computers - software & programming | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other                              | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                                    | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Investment properties

|                     |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Investment property | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                     | - | - | - | - | - | - | - | - | - | - | - | - | - |

#### Total

|                                |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Land and buildings             | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Infrastructure                 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community Assets               | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Heritage assets                | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Specialised vehicles           | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other assets                   | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Agricultural/Biological assets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Intangible assets              | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investment properties          | - | - | - | - | - | - | - | - | - | - | - | - | - |
|                                | - | - | - | - | - | - | - | - | - | - | - | - | - |

## Appendix D

| Segmental Statement of Financial Performance for the year ended |              |
|-----------------------------------------------------------------|--------------|
| Prior Year                                                      | Current Year |

[illegible]

## Appendix D

| Segmental Statement of Financial Performance for the year ended |              |
|-----------------------------------------------------------------|--------------|
| Prior Year                                                      | Current Year |

| Actual<br>Income<br>Rand | Actual<br>Expenditure<br>Rand | Surplus<br>/(Deficit)<br>Rand |                          | Actual<br>Income<br>Rand | Actual<br>Expenditure<br>Rand | Surplus<br>/(Deficit)<br>Rand |
|--------------------------|-------------------------------|-------------------------------|--------------------------|--------------------------|-------------------------------|-------------------------------|
| -                        | -                             | -                             | Municipal Owned Entities | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             | Other charges            | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             |                          | -                        | -                             | -                             |
| -                        | -                             | -                             | Total                    | -                        | -                             | -                             |

## Appendix E(2)

## Budget Analysis of Capital Expenditure as at 30 June 2016

| Yearly    |                   | Yearly              |              |                                                  |
|-----------|-------------------|---------------------|--------------|--------------------------------------------------|
| Additions | Revised Budget    | Variance            | Variance     | Explanation of significant variances from budget |
| Rand      | Rand              | Rand                | %            |                                                  |
| -         | 110 000           | (110 000)           | <b>(100)</b> |                                                  |
| -         | 250 000           | (250 000)           | <b>(100)</b> |                                                  |
| -         | 2 860 000         | (2 860 000)         | <b>(100)</b> |                                                  |
| -         | 6 606 029         | (6 606 029)         | <b>(100)</b> |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | 1 350 000         | (1 350 000)         | <b>(100)</b> |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | 17 669 325        | (17 669 325)        | <b>(100)</b> |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | 50 000            | (50 000)            | <b>(100)</b> |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | 15 377 000        | (15 377 000)        | <b>(100)</b> |                                                  |
| -         | 2 050 000         | (2 050 000)         | <b>(100)</b> |                                                  |
| -         | 22 170 356        | (22 170 356)        | <b>(100)</b> |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| <b>-</b>  | <b>68 492 710</b> | <b>(68 492 710)</b> | <b>(100)</b> |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| <b>-</b>  | <b>-</b>          | <b>-</b>            | <b>-</b>     |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| -         | -                 | -                   | -            |                                                  |
| <b>-</b>  | <b>-</b>          | <b>-</b>            | <b>-</b>     |                                                  |



**Appendix F**  
**Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003**

| Name of Grants | Name of organ of state or municipal entity | Quarterly Receipts |   |   | Quarterly Expenditure |   |   |   | Grants and Subsidies delayed / withheld | Reason for delay/withholding of funds | Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act | Reason for noncompliance |
|----------------|--------------------------------------------|--------------------|---|---|-----------------------|---|---|---|-----------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--------------------------|
|                |                                            |                    |   |   |                       |   |   |   |                                         |                                       |                                                                                                                          |                          |
|                |                                            | -                  | - | - | -                     | - | - | - | -                                       |                                       | Yes/ No                                                                                                                  |                          |
|                |                                            | -                  | - | - | -                     | - | - | - | -                                       |                                       | No                                                                                                                       |                          |
|                |                                            | -                  | - | - | -                     | - | - | - | -                                       |                                       |                                                                                                                          |                          |
|                |                                            | -                  | - | - | -                     | - | - | - | -                                       |                                       |                                                                                                                          |                          |
|                |                                            | -                  | - | - | -                     | - | - | - | -                                       |                                       |                                                                                                                          |                          |
|                |                                            | -                  | - | - | -                     | - | - | - | -                                       |                                       |                                                                                                                          |                          |
|                |                                            | -                  | - | - | -                     | - | - | - | -                                       |                                       |                                                                                                                          |                          |

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

# Westonaria Local Municipality

## Appendix G1

### Budgeted Financial Performance (revenue and expenditure by standard classification) for the year ended 30 June 2016

|                                            | 2016/2015          |                                                     |                          |                                            |                                           |                    |                    |                          | 2015/2014                                                  |                                     |                                        |                                   |                                                       |                         |                          |
|--------------------------------------------|--------------------|-----------------------------------------------------|--------------------------|--------------------------------------------|-------------------------------------------|--------------------|--------------------|--------------------------|------------------------------------------------------------|-------------------------------------|----------------------------------------|-----------------------------------|-------------------------------------------------------|-------------------------|--------------------------|
|                                            | Original Budget    | Budget Adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. Council approved policy) | Final Budget       | Actual Outcome     | Unauthorised expenditure | Variance of Actual Outcome against Adjustments Budget Rand | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
|                                            | Rand               | Rand                                                | Rand                     | Rand                                       | Rand                                      | Rand               | Rand               | Rand                     | Rand                                                       | Rand                                | Rand                                   | Rand                              | Rand                                                  | Rand                    | Rand                     |
| <b>Revenue - Standard</b>                  |                    |                                                     |                          |                                            |                                           |                    |                    |                          |                                                            |                                     |                                        |                                   |                                                       |                         |                          |
| <b>Governance and administration</b>       | <b>253 880 194</b> | <b>820 000</b>                                      | <b>254 700 194</b>       | -                                          |                                           | <b>254 700 194</b> | <b>460 162 389</b> |                          | <b>205 462 195</b>                                         | <b>181 %</b>                        | <b>181 %</b>                           |                                   |                                                       |                         | -                        |
| Executive and council                      | 739 272            | -                                                   | 739 272                  | -                                          |                                           | 739 272            | 2 157 396          |                          | 1 418 124                                                  | 292 %                               | 292 %                                  |                                   |                                                       |                         | -                        |
| Budget and treasury office                 | 252 753 833        | 820 000                                             | 253 573 833              | -                                          |                                           | 253 573 833        | 457 943 932        |                          | 204 370 099                                                | 181 %                               | 181 %                                  |                                   |                                                       |                         | -                        |
| Corporate services                         | 387 089            | -                                                   | 387 089                  | -                                          |                                           | 387 089            | 61 061             |                          | (326 028)                                                  | 16 %                                | 16 %                                   |                                   |                                                       |                         | -                        |
| <b>Community and public safety</b>         | <b>14 211 419</b>  | <b>(5 000 000)</b>                                  | <b>9 211 419</b>         | -                                          |                                           | <b>9 211 419</b>   | <b>22 432 696</b>  |                          | <b>13 221 277</b>                                          | <b>244 %</b>                        | <b>158 %</b>                           |                                   |                                                       |                         | -                        |
| Community and social services              | 6 370 000          | -                                                   | 6 370 000                | -                                          |                                           | 6 370 000          | 8 523 428          |                          | 2 153 428                                                  | 134 %                               | 134 %                                  |                                   |                                                       |                         | -                        |
| 0                                          | 264 500            | -                                                   | 264 500                  | -                                          |                                           | 264 500            | 87 855             |                          | (176 645)                                                  | 33 %                                | 33 %                                   |                                   |                                                       |                         | -                        |
| Public safety                              | 6 000 000          | (5 000 000)                                         | 1 000 000                | -                                          |                                           | 1 000 000          | 12 980 410         |                          | 11 980 410                                                 | 1 298 %                             | 216 %                                  |                                   |                                                       |                         | -                        |
| Housing                                    | 976 919            | -                                                   | 976 919                  | -                                          |                                           | 976 919            | -                  |                          | (976 919)                                                  | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Health                                     | 600 000            | -                                                   | 600 000                  | -                                          |                                           | 600 000            | 841 003            |                          | 241 003                                                    | 140 %                               | 140 %                                  |                                   |                                                       |                         | -                        |
| <b>Economic and environmental services</b> | <b>10 978 250</b>  | <b>-</b>                                            | <b>10 978 250</b>        | -                                          |                                           | <b>10 978 250</b>  | <b>-</b>           |                          | <b>(10 978 250)</b>                                        | <b>- %</b>                          | <b>- %</b>                             |                                   |                                                       |                         | -                        |
| Planning and development                   | 2 578 250          | -                                                   | 2 578 250                | -                                          |                                           | 2 578 250          | -                  |                          | (2 578 250)                                                | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Road transport                             | 8 400 000          | -                                                   | 8 400 000                | -                                          |                                           | 8 400 000          | -                  |                          | (8 400 000)                                                | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Environmental protection                   | -                  | -                                                   | -                        | -                                          |                                           | -                  | -                  |                          | -                                                          | DIV/0 %                             | DIV/0 %                                |                                   |                                                       |                         | -                        |
| <b>Trading services</b>                    | <b>296 767 965</b> | <b>(30 000 000)</b>                                 | <b>266 767 965</b>       | -                                          |                                           | <b>266 767 965</b> | <b>297 774 211</b> |                          | <b>31 006 246</b>                                          | <b>112 %</b>                        | <b>100 %</b>                           |                                   |                                                       |                         | -                        |
| Electricity                                | 99 475 506         | -                                                   | 99 475 506               | -                                          |                                           | 99 475 506         | 107 711 495        |                          | 8 235 989                                                  | 108 %                               | 108 %                                  |                                   |                                                       |                         | -                        |
| Water                                      | 138 232 812        | -                                                   | 138 232 812              | -                                          |                                           | 138 232 812        | 139 068 479        |                          | 835 667                                                    | 101 %                               | 101 %                                  |                                   |                                                       |                         | -                        |
| Waste water management                     | 26 758 647         | (12 000 000)                                        | 14 758 647               | -                                          |                                           | 14 758 647         | 32 753 949         |                          | 17 995 302                                                 | 222 %                               | 122 %                                  |                                   |                                                       |                         | -                        |
| Waste management                           | 32 301 000         | (18 000 000)                                        | 14 301 000               | -                                          |                                           | 14 301 000         | 18 240 288         |                          | 3 939 288                                                  | 128 %                               | 56 %                                   |                                   |                                                       |                         | -                        |
| <b>Other</b>                               | <b>-</b>           | <b>-</b>                                            | <b>-</b>                 | -                                          |                                           | <b>-</b>           | <b>-</b>           |                          | <b>-</b>                                                   | <b>DIV/0 %</b>                      | <b>DIV/0 %</b>                         |                                   |                                                       |                         | -                        |
| Other                                      | -                  | -                                                   | -                        | -                                          |                                           | -                  | -                  |                          | -                                                          | DIV/0 %                             | DIV/0 %                                |                                   |                                                       |                         | -                        |
| <b>Total Revenue - Standard</b>            | <b>575 837 828</b> | <b>(34 180 000)</b>                                 | <b>541 657 828</b>       | <b>-</b>                                   |                                           | <b>541 657 828</b> | <b>780 369 296</b> |                          | <b>238 711 468</b>                                         | <b>144 %</b>                        | <b>136 %</b>                           |                                   |                                                       |                         | -                        |

# Westonaria Local Municipality

## Appendix G1

### Budgeted Financial Performance (revenue and expenditure by standard classification) for the year ended 30 June 2016

|                                     | 2016/2015       |                                                     |                          |                                            |                                           |              |                | 2015/2014                |                                                |                                     |                                        |                                   |                                                       |                         |                          |
|-------------------------------------|-----------------|-----------------------------------------------------|--------------------------|--------------------------------------------|-------------------------------------------|--------------|----------------|--------------------------|------------------------------------------------|-------------------------------------|----------------------------------------|-----------------------------------|-------------------------------------------------------|-------------------------|--------------------------|
|                                     | Original Budget | Budget Adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. Council approved policy) | Final Budget | Actual Outcome | Unauthorised expenditure | Variance of Actual Outcome against Budget Rand | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
|                                     | Rand            | Rand                                                | Rand                     | Rand                                       | Rand                                      | Rand         | Rand           | Rand                     | Rand                                           | Rand                                | Rand                                   | Rand                              | Rand                                                  | Rand                    | Rand                     |
|                                     |                 |                                                     |                          |                                            |                                           |              |                |                          |                                                |                                     |                                        |                                   |                                                       |                         |                          |
| Expenditure - Standard              |                 |                                                     |                          |                                            |                                           |              |                |                          |                                                |                                     |                                        |                                   |                                                       |                         |                          |
| Governance and administration       | 124 775 240     | 52 542 054                                          | 177 317 294              | -                                          | -                                         | 177 317 294  | 227 184 532    | -                        | 49 867 238                                     | 128 %                               | 182 %                                  | -                                 | -                                                     | -                       | -                        |
| Executive and council               | 36 400 458      | 3 074 842                                           | 39 475 300               | -                                          | -                                         | 39 475 300   | 37 301 833     | -                        | (2 173 467)                                    | 94 %                                | 102 %                                  | -                                 | -                                                     | -                       | -                        |
| Budget and treasury office          | 47 474 376      | 56 045 526                                          | 103 519 902              | -                                          | -                                         | 103 519 902  | 147 237 798    | -                        | 43 717 896                                     | 142 %                               | 310 %                                  | -                                 | -                                                     | -                       | -                        |
| 0                                   | 40 900 406      | (6 578 314)                                         | 34 322 092               | -                                          | -                                         | 34 322 092   | 42 644 901     | -                        | 8 322 809                                      | 124 %                               | 104 %                                  | -                                 | -                                                     | -                       | -                        |
| Community and public safety         | 62 097 894      | (7 397 612)                                         | 54 700 282               | -                                          | -                                         | 54 700 282   | 54 639 331     | -                        | (60 951)                                       | 100 %                               | 88 %                                   | -                                 | -                                                     | -                       | -                        |
| Community and social services       | 29 980 884      | (5 057 346)                                         | 24 923 538               | -                                          | -                                         | 24 923 538   | 15 904 604     | -                        | (9 018 934)                                    | 64 %                                | 53 %                                   | -                                 | -                                                     | -                       | -                        |
| Sport and recreation                | 3 869 106       | (459 106)                                           | 3 410 000                | -                                          | -                                         | 3 410 000    | 3 694 231      | -                        | 284 231                                        | 108 %                               | 95 %                                   | -                                 | -                                                     | -                       | -                        |
| Public safety                       | 23 897 904      | (1 851 809)                                         | 22 046 095               | -                                          | -                                         | 22 046 095   | 30 699 064     | -                        | 8 652 969                                      | 139 %                               | 128 %                                  | -                                 | -                                                     | -                       | -                        |
| Housing                             | 3 000 000       | (906 172)                                           | 2 093 828                | -                                          | -                                         | 2 093 828    | 2 125 724      | -                        | 31 896                                         | 102 %                               | 71 %                                   | -                                 | -                                                     | -                       | -                        |
| Health                              | 1 350 000       | 876 821                                             | 2 226 821                | -                                          | -                                         | 2 226 821    | 2 215 708      | -                        | (11 113)                                       | 100 %                               | 164 %                                  | -                                 | -                                                     | -                       | -                        |
| Economic and environmental services | 62 713 316      | (28 822 176)                                        | 33 891 140               | -                                          | -                                         | 33 891 140   | 12 712 589     | -                        | (21 178 551)                                   | 38 %                                | 20 %                                   | -                                 | -                                                     | -                       | -                        |
| Planning and development            | 13 300 492      | (9 337 862)                                         | 3 962 630                | -                                          | -                                         | 3 962 630    | 3 696 906      | -                        | (265 724)                                      | 93 %                                | 28 %                                   | -                                 | -                                                     | -                       | -                        |
| Road transport                      | 49 412 824      | (19 484 314)                                        | 29 928 510               | -                                          | -                                         | 29 928 510   | 9 015 683      | -                        | (20 912 827)                                   | 30 %                                | 18 %                                   | -                                 | -                                                     | -                       | -                        |
| Environmental protection            | -               | -                                                   | -                        | -                                          | -                                         | -            | -              | -                        | -                                              | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| Trading services                    | 293 768 210     | (2 305 906)                                         | 291 462 304              | -                                          | -                                         | 291 462 304  | 276 149 061    | -                        | (15 313 243)                                   | 95 %                                | 94 %                                   | -                                 | -                                                     | -                       | -                        |
| Electricity                         | 99 475 506      | 18 913 544                                          | 118 389 050              | -                                          | -                                         | 118 389 050  | 91 387 180     | -                        | (27 001 870)                                   | 77 %                                | 92 %                                   | -                                 | -                                                     | -                       | -                        |
| Water                               | 138 232 812     | (9 947 642)                                         | 128 285 170              | -                                          | -                                         | 128 285 170  | 143 818 288    | -                        | 15 533 118                                     | 112 %                               | 104 %                                  | -                                 | -                                                     | -                       | -                        |
| Waste water management              | 26 758 647      | (3 593 938)                                         | 23 164 709               | -                                          | -                                         | 23 164 709   | 15 458 821     | -                        | (7 705 888)                                    | 67 %                                | 58 %                                   | -                                 | -                                                     | -                       | -                        |
| Waste management                    | 29 301 245      | (7 677 870)                                         | 21 623 375               | -                                          | -                                         | 21 623 375   | 25 484 772     | -                        | 3 861 397                                      | 118 %                               | 87 %                                   | -                                 | -                                                     | -                       | -                        |
| Other                               | -               | -                                                   | -                        | -                                          | -                                         | -            | -              | -                        | -                                              | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| Other                               | -               | -                                                   | -                        | -                                          | -                                         | -            | -              | -                        | -                                              | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| Total Expenditure - Standard        | 543 354 660     | 14 016 360                                          | 557 371 020              | -                                          | -                                         | 557 371 020  | 570 685 513    | -                        | 13 314 493                                     | 102 %                               | 105 %                                  | -                                 | -                                                     | -                       | -                        |
| Surplus/(Deficit) for the year      | 32 483 168      | (48 196 360)                                        | (15 713 192)             | -                                          |                                           | (15 713 192) | 209 683 783    |                          | 225 396 975                                    | (1 334)%                            | 646 %                                  |                                   |                                                       |                         |                          |

**Westonaria Local Municipality**  
**Appendix G2**  
**Budgeted Financial Performance (revenue and expenditure by municipal vote)**  
**for the year ended 30 June 2016**

| 2016/2015                                  |                                                        |                          |                                            |                                           |              |                |                          |                                                       |                                     |                                        |                                   | 2015/2014                                             |                         |                          |  |
|--------------------------------------------|--------------------------------------------------------|--------------------------|--------------------------------------------|-------------------------------------------|--------------|----------------|--------------------------|-------------------------------------------------------|-------------------------------------|----------------------------------------|-----------------------------------|-------------------------------------------------------|-------------------------|--------------------------|--|
| Original Budget                            | Budget Adjustments<br>(i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. Council approved policy) | Final Budget | Actual Outcome | Unauthorised expenditure | Variance of Actual Outcome against Adjustments Budget | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |  |
| Rand                                       | Rand                                                   | Rand                     | Rand                                       | Rand                                      | Rand         | Rand           | Rand                     | Rand                                                  | Rand                                | Rand                                   | Rand                              | Rand                                                  | Rand                    | Rand                     |  |
| Revenue by Vote                            |                                                        |                          |                                            |                                           |              |                |                          |                                                       |                                     |                                        |                                   |                                                       |                         |                          |  |
| Executive council - Vote 1                 | 739 272                                                | -                        | 739 272                                    | -                                         | 739 272      | 2 157 396      |                          | 1 418 124                                             | 292 %                               | 292 %                                  |                                   |                                                       |                         | -                        |  |
| Budget and Treasury Vote 2                 | 252 753 833                                            | 820 000                  | 253 573 833                                | -                                         | 253 573 833  | 457 943 932    |                          | 204 370 099                                           | 181 %                               | 181 %                                  |                                   |                                                       |                         | -                        |  |
| Corporate Services - Vote 3                | 387 089                                                | -                        | 387 089                                    | -                                         | 387 089      | 61 061         |                          | (326 028)                                             | 16 %                                | 16 %                                   |                                   |                                                       |                         | -                        |  |
| Community Services - Vote 4                | 6 370 000                                              | -                        | 6 370 000                                  | -                                         | 6 370 000    | 8 523 428      |                          | 2 153 428                                             | 134 %                               | 134 %                                  |                                   |                                                       |                         | -                        |  |
| Sports and recreation - Vote 5             | 264 500                                                | -                        | 264 500                                    | -                                         | 264 500      | 87 855         |                          | (176 645)                                             | 33 %                                | 33 %                                   |                                   |                                                       |                         | -                        |  |
| Public Safety - Vote 6                     | 6 000 000                                              | (5 000 000)              | 1 000 000                                  | -                                         | 1 000 000    | 12 980 410     |                          | 11 980 410                                            | 1 298 %                             | 216 %                                  |                                   |                                                       |                         | -                        |  |
| Housing - Vote 7                           | 976 919                                                | -                        | 976 919                                    | -                                         | 976 919      | -              |                          | (976 919)                                             | - %                                 | - %                                    |                                   |                                                       |                         | -                        |  |
| Health - Vote 8                            | 600 000                                                | -                        | 600 000                                    | -                                         | 600 000      | 841 003        |                          | 241 003                                               | 140 %                               | 140 %                                  |                                   |                                                       |                         | -                        |  |
| Planning and Development - Vote 9          | 2 578 250                                              | -                        | 2 578 250                                  | -                                         | 2 578 250    | -              |                          | (2 578 250)                                           | - %                                 | - %                                    |                                   |                                                       |                         | -                        |  |
| Roads and Transport - Vote 10              | 8 400 000                                              | -                        | 8 400 000                                  | -                                         | 8 400 000    | -              |                          | (8 400 000)                                           | - %                                 | - %                                    |                                   |                                                       |                         | -                        |  |
| Environmental protection - Vote 11         | -                                                      | -                        | -                                          | -                                         | -            | -              |                          | -                                                     | DIV/0 %                             | DIV/0 %                                |                                   |                                                       |                         | -                        |  |
| 0                                          | 99 475 506                                             | -                        | 99 475 506                                 | -                                         | 99 475 506   | 107 711 495    |                          | 8 235 989                                             | 108 %                               | 108 %                                  |                                   |                                                       |                         | -                        |  |
| Water - Vote 13                            | 138 232 812                                            | -                        | 138 232 812                                | -                                         | 138 232 812  | 139 068 479    |                          | 835 667                                               | 101 %                               | 101 %                                  |                                   |                                                       |                         | -                        |  |
| Water and Water waste management - Vote 14 | 26 758 647                                             | (12 000 000)             | 14 758 647                                 | -                                         | 14 758 647   | 32 753 949     |                          | 17 995 302                                            | 222 %                               | 122 %                                  |                                   |                                                       |                         | -                        |  |
| Waste management - Vote 15                 | 32 301 000                                             | (18 000 000)             | 14 301 000                                 | -                                         | 14 301 000   | 18 240 288     |                          | 3 939 288                                             | 128 %                               | 56 %                                   |                                   |                                                       |                         | -                        |  |
| Total Revenue by Vote                      | 575 837 828                                            | (34 180 000)             | 541 657 828                                | -                                         | 541 657 828  | 780 369 296    |                          | 238 711 468                                           | 144 %                               | 136 %                                  |                                   |                                                       |                         | -                        |  |
| Expenditure by Vote to be appropriated     |                                                        |                          |                                            |                                           |              |                |                          |                                                       |                                     |                                        |                                   |                                                       |                         |                          |  |
| Executive council - Vote 1                 | 36 400 458                                             | 3 074 842                | 39 475 300                                 | -                                         | 39 475 300   | 37 301 833     | -                        | (2 173 467)                                           | 94 %                                | 102 %                                  | -                                 | -                                                     | -                       | -                        |  |
| Budget and Treasury Vote 2                 | 47 474 376                                             | 56 077 526               | 103 551 902                                | -                                         | 103 551 902  | 147 237 798    | -                        | 43 685 896                                            | 142 %                               | 310 %                                  | -                                 | -                                                     | -                       | -                        |  |
| Corporate Services - Vote 3                | 40 900 406                                             | (6 578 314)              | 34 322 092                                 | -                                         | 34 322 092   | 42 644 901     | -                        | 8 322 809                                             | 124 %                               | 104 %                                  | -                                 | -                                                     | -                       | -                        |  |
| Community Services - Vote 4                | 29 980 884                                             | (5 057 346)              | 24 923 538                                 | -                                         | 24 923 538   | 15 904 604     | -                        | (9 018 934)                                           | 64 %                                | 53 %                                   | -                                 | -                                                     | -                       | -                        |  |
| Sports and recreation - Vote 5             | 3 869 106                                              | (459 106)                | 3 410 000                                  | -                                         | 3 410 000    | 3 694 231      | -                        | 284 231                                               | 108 %                               | 95 %                                   | -                                 | -                                                     | -                       | -                        |  |
| 0                                          | 23 897 904                                             | (1 851 809)              | 22 046 095                                 | -                                         | 22 046 095   | 30 699 064     | -                        | 8 652 969                                             | 139 %                               | 128 %                                  | -                                 | -                                                     | -                       | -                        |  |
| Housing - Vote 7                           | 3 000 000                                              | (906 172)                | 2 093 828                                  | -                                         | 2 093 828    | 2 125 724      | -                        | 31 896                                                | 102 %                               | 71 %                                   | -                                 | -                                                     | -                       | -                        |  |
| Health - Vote 8                            | 1 350 000                                              | 876 821                  | 2 226 821                                  | -                                         | 2 226 821    | 2 215 708      | -                        | (11 113)                                              | 100 %                               | 164 %                                  | -                                 | -                                                     | -                       | -                        |  |
| Planning and Development - Vote 9          | 13 299 876                                             | (9 337 862)              | 3 962 014                                  | -                                         | 3 962 014    | 3 696 906      | -                        | (265 108)                                             | 93 %                                | 28 %                                   | -                                 | -                                                     | -                       | -                        |  |
| Roads and Transport - Vote 10              | 49 412 824                                             | (19 484 314)             | 29 928 510                                 | -                                         | 29 928 510   | 9 015 683      | -                        | (20 912 827)                                          | 30 %                                | 18 %                                   | -                                 | -                                                     | -                       | -                        |  |
| Environmental protection - Vote 11         | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                                     | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |  |
| Electricity - Vote 12                      | 99 475 506                                             | 18 913 544               | 118 389 050                                | -                                         | 118 389 050  | 91 387 180     | -                        | (27 001 870)                                          | 77 %                                | 92 %                                   | -                                 | -                                                     | -                       | -                        |  |
| Water - Vote 13                            | 138 232 812                                            | (9 947 642)              | 128 285 170                                | -                                         | 128 285 170  | 143 818 288    | -                        | 15 533 118                                            | 112 %                               | 104 %                                  | -                                 | -                                                     | -                       | -                        |  |
| Water and Water waste management - Vote 14 | 26 758 647                                             | (3 593 938)              | 23 164 709                                 | -                                         | 23 164 709   | 15 458 821     | -                        | (7 705 888)                                           | 67 %                                | 58 %                                   | -                                 | -                                                     | -                       | -                        |  |
| Waste management - Vote 15                 | 29 301 245                                             | (7 677 870)              | 21 623 375                                 | -                                         | 21 623 375   | 25 484 772     | -                        | 3 861 397                                             | 118 %                               | 87 %                                   | -                                 | -                                                     | -                       | -                        |  |
| Total Expenditure by Vote                  | 543 354 044                                            | 14 048 360               | 557 402 404                                | -                                         | 557 402 404  | 570 685 513    | -                        | 13 283 109                                            | 102 %                               | 105 %                                  | -                                 | -                                                     | -                       | -                        |  |
| Surplus/(Deficit) for the year             | 32 483 784                                             | (48 228 360)             | (15 744 576)                               | -                                         | (15 744 576) | 209 683 783    |                          | 225 428 359                                           | (1 332)%                            | 646 %                                  |                                   |                                                       |                         |                          |  |

**Westonaria Local Municipality**  
**Appendix G3**  
**Budgeted Financial Performance (revenue and expenditure)**  
**for the year ended 30 June 2016**

|                                                               | 2016/2015       |                                                        |                          |                                            |                                           |              |                |                          | 2015/2014                                                  |                                     |                                        |                                   |                                                       |                         |                          |
|---------------------------------------------------------------|-----------------|--------------------------------------------------------|--------------------------|--------------------------------------------|-------------------------------------------|--------------|----------------|--------------------------|------------------------------------------------------------|-------------------------------------|----------------------------------------|-----------------------------------|-------------------------------------------------------|-------------------------|--------------------------|
|                                                               | Original Budget | Budget Adjustments<br>(i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. Council approved policy) | Final Budget | Actual Outcome | Unauthorised expenditure | Variance of Actual Outcome against Adjustments Budget Rand | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
|                                                               | Rand            | Rand                                                   | Rand                     | Rand                                       | Rand                                      | Rand         | Rand           | Rand                     |                                                            | Rand                                | Rand                                   | Rand                              | Rand                                                  | Rand                    | Rand                     |
| Revenue By Source                                             |                 |                                                        |                          |                                            |                                           |              |                |                          |                                                            |                                     |                                        |                                   |                                                       |                         |                          |
| Property rates                                                | 67 018 180      | -                                                      | 67 018 180               | -                                          |                                           | 67 018 180   | -              |                          | (67 018 180)                                               | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Property rates - penalties & collection charges               | 3 000 000       | -                                                      | 3 000 000                | -                                          |                                           | 3 000 000    | -              |                          | (3 000 000)                                                | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Service charges - electricity revenue                         | 99 475 506      | -                                                      | 99 475 506               | -                                          |                                           | 99 475 506   | -              |                          | (99 475 506)                                               | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Service charges - water revenue                               | 138 232 811     | -                                                      | 138 232 811              | -                                          |                                           | 138 232 811  | -              |                          | (138 232 811)                                              | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Service charges - sanitation revenue                          | 26 758 647      | (12 000 000)                                           | 14 758 647               | -                                          |                                           | 14 758 647   | -              |                          | (14 758 647)                                               | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Service charges - refuse revenue                              | 32 301 345      | (18 000 000)                                           | 14 301 345               | -                                          |                                           | 14 301 345   | -              |                          | (14 301 345)                                               | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Service charges - other                                       | -               | -                                                      | -                        | -                                          |                                           | -            | -              |                          | -                                                          | DIV/0 %                             | DIV/0 %                                |                                   |                                                       |                         | -                        |
| Rental of facilities and equipment                            | 387 089         | -                                                      | 387 089                  | -                                          |                                           | 387 089      | -              |                          | (387 089)                                                  | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Interest earned - external investments                        | 529 000         | 820 000                                                | 1 349 000                | -                                          |                                           | 1 349 000    | -              |                          | (1 349 000)                                                | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Interest earned - outstanding debtors                         | -               | -                                                      | -                        | -                                          |                                           | -            | -              |                          | -                                                          | DIV/0 %                             | DIV/0 %                                |                                   |                                                       |                         | -                        |
| Dividends received                                            | -               | -                                                      | -                        | -                                          |                                           | -            | -              |                          | -                                                          | DIV/0 %                             | DIV/0 %                                |                                   |                                                       |                         | -                        |
| Fines                                                         | 6 000 000       | (5 000 000)                                            | 1 000 000                | -                                          |                                           | 1 000 000    | -              |                          | (1 000 000)                                                | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Licences and permits                                          | -               | -                                                      | -                        | -                                          |                                           | -            | -              |                          | -                                                          | DIV/0 %                             | DIV/0 %                                |                                   |                                                       |                         | -                        |
| Agency services                                               | 8 400 000       | -                                                      | 8 400 000                | -                                          |                                           | 8 400 000    | -              |                          | (8 400 000)                                                | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Transfers recognised - operational                            | 191 625 550     | -                                                      | 191 625 550              | -                                          |                                           | 191 625 550  | -              |                          | (191 625 550)                                              | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Other revenue                                                 | 1 609 700       | -                                                      | 1 609 700                | -                                          |                                           | 1 609 700    | -              |                          | (1 609 700)                                                | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Gains on disposal of PPE                                      | 500 000         | -                                                      | 500 000                  | -                                          |                                           | 500 000      | -              |                          | (500 000)                                                  | - %                                 | - %                                    |                                   |                                                       |                         | -                        |
| Total Revenue (excluding capital transfers and contributions) | 575 837 828     | (34 180 000)                                           | 541 657 828              | -                                          |                                           | 541 657 828  | -              |                          | (541 657 828)                                              | - %                                 | - %                                    |                                   |                                                       |                         | -                        |

**Westonaria Local Municipality**  
**Appendix G3**  
**Budgeted Financial Performance (revenue and expenditure)**  
**for the year ended 30 June 2016**

| 2016/2015                                                            |                                                     |                          |                                            |                                           |                     |                    |                          |                                           |                                     | 2015/2014                              |                                   |                                                       |                         |                          |
|----------------------------------------------------------------------|-----------------------------------------------------|--------------------------|--------------------------------------------|-------------------------------------------|---------------------|--------------------|--------------------------|-------------------------------------------|-------------------------------------|----------------------------------------|-----------------------------------|-------------------------------------------------------|-------------------------|--------------------------|
| Original Budget                                                      | Budget Adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. Council approved policy) | Final Budget        | Actual Outcome     | Unauthorised expenditure | Variance of Actual Outcome against Budget | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
| Rand                                                                 | Rand                                                | Rand                     | Rand                                       | Rand                                      | Rand                | Rand               | Rand                     | Rand                                      | Rand                                | Rand                                   | Rand                              | Rand                                                  | Rand                    | Rand                     |
| Employee related costs                                               | 148 900 129                                         | -                        | 148 900 129                                | -                                         | -                   | 148 900 129        | -                        | (148 900 129)                             | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Remuneration of councillors                                          | 12 556 080                                          | -                        | 12 556 080                                 | -                                         | -                   | 12 556 080         | -                        | (12 556 080)                              | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Debt impairment                                                      | 25 000 000                                          | 51 189 832               | 76 189 832                                 | -                                         | -                   | 76 189 832         | -                        | (76 189 832)                              | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Depreciation & asset impairment                                      | 115 864 387                                         | (50 471 537)             | 65 392 850                                 | -                                         | -                   | 65 392 850         | -                        | (65 392 850)                              | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Finance charges                                                      | 2 200 000                                           | -                        | 2 200 000                                  | -                                         | -                   | 2 200 000          | -                        | (2 200 000)                               | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Bulk purchases                                                       | 193 733 448                                         | 5 248 213                | 198 981 661                                | -                                         | -                   | 198 981 661        | -                        | (198 981 661)                             | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Other materials                                                      | -                                                   | -                        | -                                          | -                                         | -                   | -                  | -                        | -                                         | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| Contracted services                                                  | 21 500 000                                          | (1 918 000)              | 19 582 000                                 | -                                         | -                   | 19 582 000         | -                        | (19 582 000)                              | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Interest costs                                                       | 2 500 000                                           | -                        | 2 500 000                                  | -                                         | -                   | 2 500 000          | -                        | (2 500 000)                               | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Other expenditure                                                    | 21 100 000                                          | 10 000 000               | 31 100 000                                 | -                                         | -                   | 31 100 000         | -                        | (31 100 000)                              | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Loss on disposal of PPE                                              | -                                                   | -                        | -                                          | -                                         | -                   | -                  | -                        | -                                         | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| <b>Total Expenditure</b>                                             | <b>543 354 044</b>                                  | <b>14 048 508</b>        | <b>557 402 552</b>                         | <b>-</b>                                  | <b>-</b>            | <b>557 402 552</b> | <b>-</b>                 | <b>(557 402 552)</b>                      | <b>- %</b>                          | <b>- %</b>                             | <b>-</b>                          | <b>-</b>                                              | <b>-</b>                | <b>-</b>                 |
| <b>Surplus/(Deficit)</b>                                             | <b>32 483 784</b>                                   | <b>(48 228 508)</b>      | <b>(15 744 724)</b>                        | <b>-</b>                                  | <b>(15 744 724)</b> | <b>-</b>           | <b>(15 744 724)</b>      | <b>15 744 724</b>                         | <b>- %</b>                          | <b>- %</b>                             | <b>(15 744 724)</b>               | <b>(15 744 724)</b>                                   | <b>(15 744 724)</b>     | <b>-</b>                 |
| Transfers recognised - capital                                       | (57 864 386)                                        | 274 201                  | (57 590 185)                               | -                                         | -                   | (57 590 185)       | -                        | 57 590 185                                | - %                                 | - %                                    | (57 590 185)                      | (57 590 185)                                          | (57 590 185)            | -                        |
| Contributions recognised - capital                                   | -                                                   | -                        | -                                          | -                                         | -                   | -                  | -                        | -                                         | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| Contributed assets                                                   | -                                                   | -                        | -                                          | -                                         | -                   | -                  | -                        | -                                         | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>(25 380 602)</b>                                 | <b>(47 954 307)</b>      | <b>(73 334 909)</b>                        | <b>-</b>                                  | <b>(73 334 909)</b> | <b>-</b>           | <b>(73 334 909)</b>      | <b>73 334 909</b>                         | <b>- %</b>                          | <b>- %</b>                             | <b>(73 334 909)</b>               | <b>(73 334 909)</b>                                   | <b>(73 334 909)</b>     | <b>-</b>                 |
| Taxation                                                             | -                                                   | -                        | -                                          | -                                         | -                   | -                  | -                        | -                                         | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| <b>Surplus/(Deficit) after taxation</b>                              | <b>(25 380 602)</b>                                 | <b>(47 954 307)</b>      | <b>(73 334 909)</b>                        | <b>-</b>                                  | <b>(73 334 909)</b> | <b>-</b>           | <b>(73 334 909)</b>      | <b>73 334 909</b>                         | <b>- %</b>                          | <b>- %</b>                             | <b>(73 334 909)</b>               | <b>(73 334 909)</b>                                   | <b>(73 334 909)</b>     | <b>-</b>                 |
| Attributable to minorities                                           | -                                                   | -                        | -                                          | -                                         | -                   | -                  | -                        | -                                         | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| <b>Surplus/(Deficit) attributable to municipality</b>                | <b>(25 380 602)</b>                                 | <b>(47 954 307)</b>      | <b>(73 334 909)</b>                        | <b>-</b>                                  | <b>(73 334 909)</b> | <b>-</b>           | <b>(73 334 909)</b>      | <b>73 334 909</b>                         | <b>- %</b>                          | <b>- %</b>                             | <b>(73 334 909)</b>               | <b>(73 334 909)</b>                                   | <b>(73 334 909)</b>     | <b>-</b>                 |
| Actuarial gains/ (losses)                                            | -                                                   | -                        | -                                          | -                                         | -                   | 210 000            | -                        | 210 000                                   | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| <b>Surplus/(Deficit) for the year</b>                                | <b>(25 380 602)</b>                                 | <b>(47 954 307)</b>      | <b>(73 334 909)</b>                        | <b>-</b>                                  | <b>(73 334 909)</b> | <b>210 000</b>     | <b>(73 334 909)</b>      | <b>73 544 909</b>                         | <b>- %</b>                          | <b>(1)%</b>                            | <b>(73 334 909)</b>               | <b>(73 334 909)</b>                                   | <b>(73 334 909)</b>     | <b>-</b>                 |

# Westonaria Local Municipality

## Appendix G4

### Budgeted Capital Expenditure by vote, standard classification and funding for the year ended 30 June 2016

|                                           | 2016/2015       |                                                        |                          |                                            |                                           |              |                |                          | 2015/2014                                      |                                     |                                        |                                   |                                                       |                         |                          |
|-------------------------------------------|-----------------|--------------------------------------------------------|--------------------------|--------------------------------------------|-------------------------------------------|--------------|----------------|--------------------------|------------------------------------------------|-------------------------------------|----------------------------------------|-----------------------------------|-------------------------------------------------------|-------------------------|--------------------------|
|                                           | Original Budget | Budget Adjustments<br>(i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. Council approved policy) | Final Budget | Actual Outcome | Unauthorised expenditure | Variance of Actual Outcome against Budget Rand | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |
|                                           | Rand            | Rand                                                   | Rand                     | Rand                                       | Rand                                      | Rand         | Rand           | Rand                     |                                                | Rand                                | Rand                                   | Rand                              | Rand                                                  | Rand                    | Rand                     |
| Capital multi-year expenditure sub-total  | -               | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                              | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| Single-year expenditure                   |                 |                                                        |                          |                                            |                                           |              |                |                          |                                                |                                     |                                        |                                   |                                                       |                         |                          |
| Governance and administration             | -               | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                              | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| Executive and council                     | 110 000         | -                                                      | 110 000                  | -                                          | -                                         | 110 000      | -              | -                        | (110 000)                                      | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Budget and treasury office                | 250 000         | -                                                      | 250 000                  | -                                          | -                                         | 250 000      | -              | -                        | (250 000)                                      | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Corporate services                        | 2 110 000       | 750 000                                                | 2 860 000                | -                                          | -                                         | 2 860 000    | -              | -                        | (2 860 000)                                    | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Community and public safety               | -               | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                              | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| Community and social services             | 1 100 000       | 250 000                                                | 1 350 000                | -                                          | -                                         | 1 350 000    | -              | -                        | (1 350 000)                                    | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Sport and recreation                      | 17 669 325      | -                                                      | 17 669 325               | -                                          | -                                         | 17 669 325   | -              | -                        | (17 669 325)                                   | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Economic and environmental services       | -               | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                              | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| Planning and development                  | 6 606 029       | -                                                      | 6 606 029                | -                                          | -                                         | 6 606 029    | -              | -                        | (6 606 029)                                    | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Road transport                            | 15 377 000      | -                                                      | 15 377 000               | -                                          | -                                         | 15 377 000   | -              | -                        | (15 377 000)                                   | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Vote 11                                   | -               | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                              | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| Electricity - Vote 12                     | 19 000 000      | 3 170 356                                              | 22 170 356               | -                                          | -                                         | 22 170 356   | -              | -                        | (22 170 356)                                   | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Water - Vote 13                           | 50 000          | 2 000 000                                              | 2 050 000                | -                                          | -                                         | 2 050 000    | -              | -                        | (2 050 000)                                    | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Water and waste management - Vote 14      | -               | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                              | DIV/0 %                             | DIV/0 %                                | -                                 | -                                                     | -                       | -                        |
| Waste Management - Vote 15                | 50 096          | -                                                      | 50 096                   | -                                          | -                                         | 50 096       | -              | -                        | (50 096)                                       | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Capital single-year expenditure sub-total | 62 322 450      | 6 170 356                                              | 68 492 806               | -                                          | -                                         | 68 492 806   | -              | -                        | (68 492 806)                                   | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |
| Total Capital Expenditure - Vote          | 62 322 450      | 6 170 356                                              | 68 492 806               | -                                          | -                                         | 68 492 806   | -              | -                        | (68 492 806)                                   | - %                                 | - %                                    | -                                 | -                                                     | -                       | -                        |

**Westonaria Local Municipality**  
**Appendix G4**  
**Budgeted Capital Expenditure by vote, standard classification and funding**  
**for the year ended 30 June 2016**

| 2016/2015                            |                                                        |                          |                                            |                                           |              |                |                          |                                           |                                     |                                        |                                   |                                                       |                         |                          |   | 2015/2014 |  |  |  |  |
|--------------------------------------|--------------------------------------------------------|--------------------------|--------------------------------------------|-------------------------------------------|--------------|----------------|--------------------------|-------------------------------------------|-------------------------------------|----------------------------------------|-----------------------------------|-------------------------------------------------------|-------------------------|--------------------------|---|-----------|--|--|--|--|
| Original Budget                      | Budget Adjustments<br>(i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Shifting of funds (i.t.o. s31 of the MFMA) | Virement (i.t.o. Council approved policy) | Final Budget | Actual Outcome | Unauthorised expenditure | Variance of Actual Outcome against Budget | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Reported unauthorised expenditure | Expenditure authorised in terms of section 32 of MFMA | Balance to be recovered | Restated Audited Outcome |   |           |  |  |  |  |
| Rand                                 | Rand                                                   | Rand                     | Rand                                       | Rand                                      | Rand         | Rand           | Rand                     | Rand                                      | Rand                                | Rand                                   | Rand                              | Rand                                                  | Rand                    | Rand                     |   |           |  |  |  |  |
|                                      |                                                        |                          |                                            |                                           |              |                |                          |                                           |                                     |                                        |                                   |                                                       |                         |                          |   |           |  |  |  |  |
| Capital Expenditure - Standard       |                                                        |                          |                                            |                                           |              |                |                          |                                           |                                     |                                        |                                   |                                                       |                         |                          |   |           |  |  |  |  |
| Governance and administration        | 2 470 000                                              | 750 000                  | 3 220 000                                  | -                                         | -            | 3 220 000      | -                        | -                                         | (3 220 000)                         | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Executive and council                | 110 000                                                | -                        | 110 000                                    | -                                         | -            | 110 000        | -                        | -                                         | (110 000)                           | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Budget and treasury office           | 250 000                                                | -                        | 250 000                                    | -                                         | -            | 250 000        | -                        | -                                         | (250 000)                           | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Corporate services                   | 2 110 000                                              | 750 000                  | 2 860 000                                  | -                                         | -            | 2 860 000      | -                        | -                                         | (2 860 000)                         | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Community and public safety          | 18 769 325                                             | 250 000                  | 19 019 325                                 | -                                         | -            | 19 019 325     | -                        | -                                         | (19 019 325)                        | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Community and social services        | 1 100 000                                              | 250 000                  | 1 350 000                                  | -                                         | -            | 1 350 000      | -                        | -                                         | (1 350 000)                         | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Sport and recreation                 | 17 669 325                                             | -                        | 17 669 325                                 | -                                         | -            | 17 669 325     | -                        | -                                         | (17 669 325)                        | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Public safety                        | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                         | -                                   | DIV/0 %                                | DIV/0 %                           | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Housing                              | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                         | -                                   | DIV/0 %                                | DIV/0 %                           | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Health                               | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                         | -                                   | DIV/0 %                                | DIV/0 %                           | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Economic and environmental services  | 21 983 029                                             | -                        | 21 983 029                                 | -                                         | -            | 21 983 029     | -                        | -                                         | (21 983 029)                        | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Planning and development             | 6 606 029                                              | -                        | 6 606 029                                  | -                                         | -            | 6 606 029      | -                        | -                                         | (6 606 029)                         | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Road transport                       | 15 377 000                                             | -                        | 15 377 000                                 | -                                         | -            | 15 377 000     | -                        | -                                         | (15 377 000)                        | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Environmental protection             | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                         | -                                   | DIV/0 %                                | DIV/0 %                           | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Trading services                     | 19 100 096                                             | 5 170 356                | 24 270 452                                 | -                                         | -            | 24 270 452     | -                        | -                                         | (24 270 452)                        | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Electricity                          | 19 000 000                                             | 3 170 356                | 22 170 356                                 | -                                         | -            | 22 170 356     | -                        | -                                         | (22 170 356)                        | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Water                                | 50 000                                                 | 2 000 000                | 2 050 000                                  | -                                         | -            | 2 050 000      | -                        | -                                         | (2 050 000)                         | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Waste water management               | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                         | -                                   | DIV/0 %                                | DIV/0 %                           | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Waste management                     | 50 096                                                 | -                        | 50 096                                     | -                                         | -            | 50 096         | -                        | -                                         | (50 096)                            | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Other                                | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                         | -                                   | DIV/0 %                                | DIV/0 %                           | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Other                                | -                                                      | -                        | -                                          | -                                         | -            | -              | -                        | -                                         | -                                   | DIV/0 %                                | DIV/0 %                           | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Total Capital Expenditure - Standard | 62 322 450                                             | 6 170 356                | 68 492 806                                 | -                                         | -            | 68 492 806     | -                        | -                                         | (68 492 806)                        | - %                                    | - %                               | -                                                     | -                       | -                        | - |           |  |  |  |  |
| Funded by:                           |                                                        |                          |                                            |                                           |              |                |                          |                                           |                                     |                                        |                                   |                                                       |                         |                          |   |           |  |  |  |  |
| National Government                  | 52 352 450                                             | 6 444 826                | 58 797 276                                 | -                                         |              | 58 797 276     | -                        |                                           | (58 797 276)                        | - %                                    | - %                               |                                                       |                         |                          | - |           |  |  |  |  |
| Provincial Government                | -                                                      | 1 352 826                | 1 352 826                                  | -                                         |              | 1 352 826      | -                        |                                           | (1 352 826)                         | - %                                    | DIV/0 %                           |                                                       |                         |                          | - |           |  |  |  |  |
| District Municipality                | -                                                      | -                        | -                                          | -                                         |              | -              | -                        |                                           | -                                   | DIV/0 %                                | DIV/0 %                           |                                                       |                         |                          | - |           |  |  |  |  |
| Other transfers and grants           | -                                                      | -                        | -                                          | -                                         |              | -              | -                        |                                           | -                                   | DIV/0 %                                | DIV/0 %                           |                                                       |                         |                          | - |           |  |  |  |  |
| Transfers recognised - capital       | 52 352 450                                             | 7 797 652                | 60 150 102                                 | -                                         |              | 60 150 102     | -                        |                                           | (60 150 102)                        | - %                                    | - %                               |                                                       |                         |                          | - |           |  |  |  |  |
| Public contributions & donations     | -                                                      | -                        | -                                          | -                                         |              | -              | -                        |                                           | -                                   | DIV/0 %                                | DIV/0 %                           |                                                       |                         |                          | - |           |  |  |  |  |
| Borrowing                            | -                                                      | -                        | -                                          | -                                         |              | -              | -                        |                                           | -                                   | DIV/0 %                                | DIV/0 %                           |                                                       |                         |                          | - |           |  |  |  |  |
| Internally generated funds           | 9 970 000                                              | (274 201)                | 9 695 799                                  | -                                         |              | 9 695 799      | -                        |                                           | (9 695 799)                         | - %                                    | - %                               |                                                       |                         |                          | - |           |  |  |  |  |
| Total Capital Funding                | 62 322 450                                             | 7 523 451                | 69 845 901                                 | -                                         |              | 69 845 901     | -                        |                                           | (69 845 901)                        | - %                                    | - %                               |                                                       |                         |                          | - |           |  |  |  |  |



# Appendix G5

## Budgeted Cash Flows

### for the year ended 30 June 2016

|                                                   | 2016/2015       |                                                     |                          |               |                | 2015                                                       |                                     |                                        |                          |
|---------------------------------------------------|-----------------|-----------------------------------------------------|--------------------------|---------------|----------------|------------------------------------------------------------|-------------------------------------|----------------------------------------|--------------------------|
|                                                   | Original Budget | Budget Adjustments (i.t.o. s28 and s31 of the MFMA) | Final adjustments budget | Final Budget  | Actual Outcome | Variance of Actual Outcome against Adjustments Budget Rand | Actual Outcome as % of Final Budget | Actual Outcome as % of Original Budget | Restated Audited Outcome |
|                                                   | Rand            | Rand                                                | Rand                     | Rand          | Rand           | Rand                                                       | Rand                                | Rand                                   | Rand                     |
| Cash flow from operating activities               |                 |                                                     |                          |               |                |                                                            |                                     |                                        |                          |
| Receipts                                          |                 |                                                     |                          |               |                |                                                            |                                     |                                        |                          |
| Ratepayers and other                              | 320 293 022     | -                                                   | 320 293 022              | 320 293 022   | -              | (320 293 022)                                              | - %                                 | - %                                    | -                        |
| Government - operating                            | 139 166 000     | -                                                   | 139 166 000              | 139 166 000   | -              | (139 166 000)                                              | - %                                 | - %                                    | -                        |
| Government - capital                              | 52 460 000      | -                                                   | 52 460 000               | 52 460 000    | -              | (52 460 000)                                               | - %                                 | - %                                    | -                        |
| Interest                                          | 529 000         | -                                                   | 529 000                  | 529 000       | -              | (529 000)                                                  | - %                                 | - %                                    | -                        |
| Other income                                      | -               | -                                                   | -                        | -             | -              | -                                                          | DIV/0 %                             | DIV/0 %                                | -                        |
| Payments                                          |                 |                                                     |                          |               |                |                                                            |                                     |                                        |                          |
| Suppliers and employees                           | (441 874 281)   | -                                                   | (441 874 281)            | (441 874 281) | -              | 441 874 281                                                | - %                                 | - %                                    | -                        |
| Finance charges                                   | (2 200 000)     | -                                                   | (2 200 000)              | (2 200 000)   | -              | 2 200 000                                                  | - %                                 | - %                                    | -                        |
| Transfers and Grants                              | (3 000 000)     | -                                                   | (3 000 000)              | (3 000 000)   | -              | 3 000 000                                                  | - %                                 | - %                                    | -                        |
| Net cash flow from/used operating activities      | 65 373 741      | -                                                   | 65 373 741               | 65 373 741    | -              | (65 373 741)                                               | - %                                 | - %                                    | -                        |
| Cash flow from investing activities               |                 |                                                     |                          |               |                |                                                            |                                     |                                        |                          |
| Receipts                                          |                 |                                                     |                          |               |                |                                                            |                                     |                                        |                          |
| Proceeds on disposal of PPE                       | 1 200 000       | -                                                   | 1 200 000                | 1 200 000     | -              | (1 200 000)                                                | - %                                 | - %                                    | -                        |
| Decrease (Increase) in non-current debtors        | 500 000         | -                                                   | 500 000                  | 500 000       | -              | (500 000)                                                  | - %                                 | - %                                    | -                        |
| Decrease (increase) other non-current receivables | -               | -                                                   | -                        | -             | -              | -                                                          | DIV/0 %                             | DIV/0 %                                | -                        |
| Decrease (increase) in non-current investments    | 180 000         | -                                                   | 180 000                  | 180 000       | -              | (180 000)                                                  | - %                                 | - %                                    | -                        |
| Payments                                          |                 |                                                     |                          |               |                |                                                            |                                     |                                        |                          |
| Capital assets                                    | (62 322 450)    | -                                                   | (62 322 450)             | (62 322 450)  | -              | 62 322 450                                                 | - %                                 | - %                                    | -                        |
| Net cash flow from/used investing activities      | (60 442 450)    | -                                                   | (60 442 450)             | (60 442 450)  | -              | 60 442 450                                                 | - %                                 | - %                                    | -                        |
| Cash flow from financing activities               |                 |                                                     |                          |               |                |                                                            |                                     |                                        |                          |
| Receipts                                          |                 |                                                     |                          |               |                |                                                            |                                     |                                        |                          |
| Short term loans                                  | -               | -                                                   | -                        | -             | -              | -                                                          | DIV/0 %                             | DIV/0 %                                | -                        |
| Borrowing long term/refinancing                   | -               | -                                                   | -                        | -             | -              | -                                                          | DIV/0 %                             | DIV/0 %                                | -                        |
| Increase (decrease) in consumer deposits          | 363 211         | -                                                   | 363 211                  | 363 211       | -              | (363 211)                                                  | - %                                 | - %                                    | -                        |
| Payments                                          |                 |                                                     |                          |               |                |                                                            |                                     |                                        |                          |
| Repayment of borrowing                            | (7 771 200)     | -                                                   | (7 771 200)              | (7 771 200)   | -              | 7 771 200                                                  | - %                                 | - %                                    | -                        |
| Net cash flow from/used financing activities      | (7 407 989)     | -                                                   | (7 407 989)              | (7 407 989)   | -              | 7 407 989                                                  | - %                                 | - %                                    | -                        |
| Net increase/(decrease) in cash held              | (2 476 698)     | -                                                   | (2 476 698)              | (2 476 698)   | -              | 2 476 698                                                  | - %                                 | - %                                    | -                        |
| Cash/cash equivalents at the year end:            |                 |                                                     |                          |               | 12 212 946     |                                                            |                                     |                                        | -                        |
| Cash/cash equivalents at the year end:            | (2 476 698)     | -                                                   | (2 476 698)              | (2 476 698)   | 12 212 946     | 2 476 698                                                  | (493)%                              | (493)%                                 |                          |